



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID/MADAGASCAR
Antananarivo, Madagascar**

2 March 1998

Ms. Carol Peasley
Acting Assistant Administrator, Bureau for Africa
U.S. Agency for International Development
Washington, D.C.

VIA E-MAIL

Dear Carol:

I take great pleasure in submitting the following for Washington's review:

- ▶ USAID/Madagascar FY 2000 Results Review and Resource Request; and
- USAID/Madagascar FY 1998-2002 Country Strategic Plan Amendment.

The R4, as you know, is in cycle and on time. It is our first R4 under the new strategy. The USAID/Madagascar program is not just on track: we are exceeding defined, measurable, and in some cases state-of-the-art performance targets in most areas. This is possible due to the strong and mature partnerships we have developed with our Malagasy and international partners in the public, private, and non-governmental sectors. It is also possible because of the highly developed professionalism and commitment that our Limited Mission staff brings forward. Our continued emphasis on re-engineering principles of teamwork, results, customer focus, and empowerment, especially of our FSN staff, continues to pay off, for the Agency and for Madagascar.

The CSP Amendment responds to requirements of our Management Contract (97-STATE 135276) that we revise our program to reflect an overall goal and a Special Program Objective (SPO) which supports Madagascar's Structural Adjustment Program (SAP). We have done so, and in the process we have strengthened "our place at the table" among the donors and IFIs involved. We have modified our goal statement to be Reduced Poverty, the overall objective of the SAP. Our new SPO focuses on helping Madagascar improve its legal, financial and policy conditions for investment and trade, and fostering more informed and responsive public participation in legal and economic

issues. The SPO thus integrates economic growth results with those of democracy and governance--an innovative strategy which we think will produce strong synergies. Because of the strong integration, we would like to request that the technical team scoring this objective be comprised of both EG and DG experts.

Please let us know if you have any questions or need for clarification prior to the review.

Warm regards,

Karen M. Poe
Director

	<p>U.S. Agency for International Development Bureau for Africa</p>
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MADAGASCAR

FY 2000

RESULTS REVIEW

February 1998

USAID/Madagascar
Antananarivo, Madagascar

U.S. Agency for International Development
Washington, D.C. 20523
U.S.A

Note:

Non-text files (e.g., spreadsheets, charts, maps, etc.)
have been appended at the end of the document

USAID Madagascar Results Framework Reference Page

Goal: Reduced Poverty

SO1: Foster an Environment in which Private Action Can Flourish (ended FY 1997)

SPO: Improved Environment for Private Initiative (proposed FY 1998)

IR1.1: Improved legal, financial, and policy conditions for trade and investment

IR2.1: More informed and responsive public participation in economic and legal issues.

SO2: Smaller, Healthier Families

IR2.1: Family Level: Increased use of services and healthy behaviors;

IR2.2: Community Level: Increased community participation leading to improved health and food security;

IR2.3: Health Center Level: Increased access to quality health services;

IR2.4: Institutional Level: Increased capacity to plan and manage programs;

IR2.5: Policy Level: Improved policies, program advocacy, and decision-making.

SO3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones

IR3.1: Improved management of critical biodiversity habitats;

IR3.2: Sustainable use of natural resources in broader landscapes;

IR3.3: Domestic financial mechanisms mobilized;

IR3.4: Supportive environmental policies and procedures.

USAID Madagascar FY 2000 Results Review

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Appendix A: Management Contract

CSP Review Cable, 97-STATE 135276 dated July 18, 1997; and
FY 1999 Review Cable, 97-STATE 147043 dated August 6, 1997

**USAID Madagascar
FY 2000 Results Review and Resource Request**

I. OVERVIEW AND FACTORS AFFECTING PERFORMANCE

A. Broader Development Context

Last year's R4 overview suggested that Madagascar might become "...the next African success story." While this is not yet the case, 1997 saw continuing positive change.

Madagascar has made substantial progress towards achieving the objectives of its Structural Adjustment Program. Approved in September 1996, the program is supported by a three-year IMF ESAF arrangement, a World Bank Structural Adjustment Credit (SAC), and various World Bank and bilateral donor funded activities. The signing of the Bretton Woods accords paved the way for Paris Club debt rescheduling which enabled Madagascar's debt service ratio to fall from 46 percent in 1996 to 25 percent in 1997.¹ While there have been some delays in meeting the targets specified in the SAP, especially those involving the privatization of large state owned enterprises, the World Bank and IMF are satisfied that sufficient progress has been made to allow forward movement on the next phases of their support. The SAP and its corresponding performance targets are being updated to cover an additional year, thus extending the SAP's duration to the year 2000.

Unfortunately, political developments have served to distract policymakers' attention somewhat from the most important task of achieving the SAP objectives. The President's perseverance in putting forth a new draft Constitution to be voted on via a national referendum in March 1998 has generated intense national discourse on its implications for the division of powers among the branches of Government. While demonstrating the free play of democratic forces, the politicization of the debate has diverted national attention from what many in Madagascar consider to be the top national priorities of the economic reform program, namely, the unleashing of private initiative, the launching of sustained growth, and the fight against poverty. Legislative elections which are expected to take place in May of this year could also serve to slow down temporarily progress towards achievement of the SAP objectives.

Despite these developments, there is ample evidence that Madagascar's political leaders remain committed to establishing the policy, legal, and institutional conditions necessary to move forward. The Malagasy people want to see tangible improvements in their productive opportunities, and in this new democracy, can be expected to hold their Government accountable for ensuring that it happens.

¹ World Bank, 18 November 1997, Trimester Report No. 1 of the Resident Mission July -September 1997, p. 4.

There is also evidence that the people have some confidence in their leaders' commitments. Over the course of the year, private investment increased; inflation was down to 4.8 percent; and the preliminary estimate of the 1997 GDP growth rate is 3.7 percent -- the highest since 1989. There is general agreement in the donor/IFI community that while much remains to be done, the country is now well positioned for future growth.

There are, thus, no major factors in the Madagascar development context that would cause us to change or eliminate an objective. Indeed, if the positive forward momentum accelerates, USAID may wish to revise funding levels upward to better respond to increased opportunities for development impact.

B. Convergence of U.S. Mission Interests

As shown in Table 1 on the next two pages, USAID's three strategic objectives are directly aligned with the U.S. Mission in Madagascar's top four U.S. National Interests. USAID's Strategic Objective 1 (SO1), *foster an environment in which private action can flourish*, and its proposed new Special Program Objective (SPO), *improved environment for private initiative*, directly address the top two ranked U.S. Interests, the Economy, and Democracy and Human Rights. Both SO2, *smaller, healthier families*, and SO3, *biologically diverse ecosystems conserved in priority conservation zones*, also contribute directly to Democracy and Human Rights, through strengthening local capacity for decision-making and action. Indeed, the emphasis on local empowerment permeates the entire USAID portfolio.

SO3 is also directly aligned with the third-ranked U.S. National Interest, the Environment, as it promotes Malagasy leadership in the struggle to slow environmental degradation and preserve Madagascar's unique biodiversity for future generations. SO2 fully supports the fourth-ranked U.S. National Interest, Family Health and Child Survival, with a major commitment to slowing the spread of the AIDS virus.

Table 1: Priority U.S. National Interests and USAID Madagascar Objectives

Priority U.S. National Interests in Embassy Antananarivo's FY 1997-2001 MPP	USAID Madagascar Objectives per FY 1998-2002 CSP
<p>MPP U.S. Interest #1: the Economy: Ensuring that Madagascar carries out the Structural Adjustment Framework Agreement, including economic liberalization, continued privatization, greater transparency in decision making, presents a level playing field for foreign investors, and carries out reform of the judicial system to ensure an equitable basis for resolving commercial disputes.</p>	<p>SO1: Foster an environment in which private action can flourish: USAID played a major role over several years in helping the Central Bank strengthen its capacity to implement sound monetary policy. Monetary and macroeconomic stabilization was in turn absolutely critical to gaining and maintaining the confidence of the Bretton Woods Institutions, and ultimately to the approval of the Structural Adjustment Program. There is broad agreement that U.S. Mission leadership brought the IFIs, donors, and GOM together to assure joint ownership and approval of the Program.</p>
<p>MPP U.S. Interest #2: Democracy and Human Rights: Consolidating and strengthening Madagascar's electoral systems and democratic institutions, promote a rule of law, foster greater respect for human rights, continue to press for decentralization, strengthen the role of the media as "public watchdog" and work toward a greater degree of civic awareness and local responsibility for decision making.</p>	<p>SO1/SPO: Foster an environment in which private action can flourish: USAID assistance has helped elevate legal and judicial reform and the establishment of rule of law as one of the nation's top priorities. The participation of top GOM leaders in the USAID-financed National Conference of Judges demonstrated the paramount importance attached to legal and judicial reform. Also, USAID has supported the Minister of Justice in his efforts to push the fight against corruption to the forefront of national attention. The Malagasy Human Rights Working group, supported by the U.S. Embassy, adopted the fight against corruption as one of its top agenda items for 1998.</p>
<p>MPP U.S. Interest #2: Democracy and Human Rights: Consolidating and strengthening Madagascar's electoral systems and democratic institutions, promote a rule of law, foster greater respect for human rights, continue to press for decentralization, strengthen the role of the media as "public watchdog" and work toward a greater degree of civic awareness and local responsibility for decision making.</p>	<p>SO2: Smaller, healthier families: To achieve key intermediate results, SO2 increased and decentralized responsibility for decision making for improved health and food security in several areas. It strengthened the capacity of 21 local NGOs, hundreds of communities, and over 200 factories to better manage health and/or family planning services. As part of its PL 480 Title II program, USAID's partner, Catholic Relief Services, increased the number of communities managing a food-assisted child survival program from 70 to 143.</p>

<p>MPP U.S. Interest #2: Democracy and Human Rights: Consolidating and strengthening Madagascar's electoral systems and democratic institutions, promote a rule of law, foster greater respect for human rights, continue to press for decentralization, strengthen the role of the media as "public watchdog" and work toward a greater degree of civic awareness and local responsibility for decision making.</p>	<p>SO3: Biologically diverse conserved ecosystems in priority conservation areas: SO3 emphasizes empowering local communities to manage natural resources because empowered communities are better able to sustain USAID and other development interventions. With prior year USAID assistance, the GOM promulgated legislation permitting local use and management, resources, and creation of NGOs and foundations. Examples where USAID has fostered local responsibility for decision-making include Tany Meva, Africa's first private environmental foundation; buffer zone communities surrounding protected areas, which now benefit from ecotourism by receiving 50 percent of national park entry fees; and road user associations, which in 1997 generated 84% of revenues needed to maintain roads on their own initiative.</p>
<p>MPP U.S. Interest #3: the Environment: Assisting the Malagasy Government and NGOs in establishing an effective management capability in order to slow environmental deterioration and preserve Madagascar's unique biodiversity for future generations.</p>	<p>SO3: Conserve biologically diverse ecosystems in priority conservation areas; USAID continued to assist the GOM and international and local PVOs and NGOs to improve natural resource management, including implementation of a national environmental policy agenda. In 1997, five new national parks were inaugurated, significantly increasing total land area devoted to national conservation. Of particular significance was Masoala National Park, Madagascar's largest park and one of the last swaths of virgin tropical forest in the country, which USAID and Embassy efforts averted from being subject to an environmentally disastrous tropical timber logging agreement.</p>
<p>MPP U.S. Interest #4: Family Health and Child Survival: Aiding the Malagasy government, local authorities and medical system to inform Malagasy women about methods to improve child survival, family planning methods and to provide distribution of low cost family planning materials. This objective includes a specific component to increase use of condoms to slow the spread of AIDS.</p>	<p>SO2: Smaller, healthier families USAID is supporting the GOM, local authorities and the medical community to improve access to and use of child health and family planning services at the family, community, worksite, health clinic, and broader institutional levels. Selected highlights in 1997 included the launch of the polio eradication campaign, which reached 99 percent of the children under five nationally, and significant acceleration of the condom social marketing effort, which in 1997 distributed almost 3 million condoms to slow the spread of AIDS.</p>

C. Focussing Resources to Reduce Poverty and to Increase Food Security

Following recommendations of its Country Strategy Plan (CSP) review last year, USAID Madagascar refocussed its program around a primary goal: *reduced poverty*. This conforms with the GOM goal of its structural adjustment program, as described in the Policy Framework Paper: *"The Government aims to win public and investor confidence in a liberal and stable economic framework and with an efficient public administration, in order to improve the investment climate and reduce poverty."* USAID's proposed new Special Program Objective, *improved environment for private initiative*, has been formulated in support of the SAP. USAID's assistance under SO2 and SO3 will promote smaller, healthier families, and conserve biologically diverse ecosystems. Achievement of these latter two objectives is essential to sustainable poverty reduction: families' initiatives to raise their standard of living depend critically on improved health practices, while sustainable economic growth depends on the rational use and sound management of Madagascar's globally unique resources.

USAID plans to monitor progress toward achieving its goal with two indicators: i) a decrease in the percent of the population considered absolutely poor, to below 70 percent by 2002²; and ii) an increase in the percent of children who show no sign of stunting, to above 49 percent by 2002³. These are shown in Tables I and II at the end of this section.

We have selected these indicators because they are key measures of both poverty and food security, which are intrinsically linked. One factor in their selection was the recommendation of the CSP review that the Mission address the issue of Food Security in collaboration with Title II PVO cooperating sponsors, and consider Food Security as a cross-cutting theme with indicators at the goal level. We will share our new Food Security Strategy in the near future with our virtual teammates in USAID Washington who have been instrumental in its development.

Analyses informing the Food Security Strategy demonstrate that food access, particularly purchasing power, is the most critical determinant of food security in Madagascar. People cannot become more food secure without also becoming less poor. Thus, increasing food security is a corollary to reducing poverty, and will be addressed on a cross-cutting basis by all USAID special program and strategic objective teams.

Table 2 on the next page shows that the three USAID Madagascar objectives each contribute to one or more key determinants of food security as part of their overall strategic management plan. Our proposed Special Program Objective (SPO) contributes to both improved food

² The World Bank, *Madagascar Poverty Assessment*, June 28, 1996, p.12.

³ Only 49 percent of children were not stunted according to the 1992 Demographic and Health Survey, or DHS. Data from the 1997 DHS are expected to be available in mid-1998 and will permit analysis of progress against the baseline.

access and food availability through its economic analysis and policy dialogue activities. It also promotes savings and thus improved purchasing power through its support to the National Savings Bank. SO2 contributes primarily to enhancing food utilization, by promoting nutrition behavior change through both PL480 and DA-funded activities. SO2's support to child survival decreases morbidity and thus increases food absorption. SO2 also houses the Mission's new Food Security and Disaster Unit, which takes responsibility for preparedness, monitoring, mitigation and response to short-term food shortages. SO3 contributes primarily to increasing food availability, both through shorter-term intensification and production activities, and through longer-term conservation measures.

Table 2: Summary USAID Madagascar Activities to Enhance Food Security

	ACCESS	AVAILABILITY	UTILIZATION	DISASTERS
SO1/ SPO	<ul style="list-style-type: none"> • Economic analysis to inform policy decision-making in support of poverty alleviation • TA, other support to National Savings Bank to improve purchasing power 	<ul style="list-style-type: none"> • Economic analysis of the determinants of agricultural productivity and rural household welfare 		<ul style="list-style-type: none"> • Communications: Leland Initiative to foster preparedness
SO2	<ul style="list-style-type: none"> • Targeted income generation for urban poor under a PVO monetization activity 	<ul style="list-style-type: none"> • Targeted PL 480 Title II food assisted/ monetization for child survival activities 	<ul style="list-style-type: none"> • Nutrition behavior change through all CS partners for highly vulnerable cohorts • PL 480 Title II food assisted child survival activity • Disease burden reduced through immunization and other CS activities 	<ul style="list-style-type: none"> • SO2 takes the lead in USAID's disaster preparedness, mitigation, prevention and planning (PMPP) • PVO food monetization activities for PMPP with disaster prone communities
SO3	<ul style="list-style-type: none"> • Farm-to-market road rehabilitation and maintenance 	<ul style="list-style-type: none"> • Rice research and increased productivity • Intensification of high-value crop production and processing • Grants to community groups for soil and water conservation 		<ul style="list-style-type: none"> • Organic pesticide development and dissemination (locust mitigation)

The new Food Security Strategy will be reported on in R4s by the three teams, with cross-cutting analyses provided where appropriate. Goal Indicators are presented on the next page.

Table I: PROPOSED GOAL LEVEL INDICATOR

OBJECTIVE: Goal Level: Reduced Poverty APPROVED: Proposed New Indicator COUNTRY/ORGANIZATION: USAID/Madagascar		
RESULT NAME: Goal Level: Reduced Poverty.		
INDICATOR : Proportion of people below the poverty line.		
UNIT OF MEASURE: Percent of population below the poverty line. SOURCE: Baseline, World Bank Poverty Assessment, 1995. National Statistics Agency (INSTAT). INDICATOR DESCRIPTION: The poverty indicator, also called the "incidence of poverty," is the ratio of the number of poor individuals to the total number of individuals in the population. Poor individuals are those whose consumption expenditures fall below the calculated poverty line. The poverty line used here was calculated on the basis of the expenditures required to purchase a nutritionally adequate food basket and a typical amount of non food consumption (with "typical" based on households who actually meet the reference level of food spending). COMMENTS: With World Bank support, the National Statistics Agency (INSTAT) plans to conduct a biannual household survey using the 1993/94 household survey as a baseline. A new household survey was conducted in 1997. The data will be compiled and analyzed, with results published in July 1998. Another survey is planned for 1999.	YEAR	ACTUAL
	1993/1994 (b)	70.3%
	1997/1998	
	1999/2000	
	2001/2002	

Table II: PROPOSED GOAL LEVEL INDICATOR

OBJECTIVE: Goal Level: Reduced Poverty APPROVED: Proposed New Indicator COUNTRY/ORGANIZATION: USAID/Madagascar		
RESULT NAME: Goal Level: Reduced Poverty.		
INDICATOR : Children under 5 years of age who show no signs of stunting.		
UNIT OF MEASURE: Percent of children under 5 years of age who are not stunted. SOURCE: 1992 and 1997 Demographic and Health Surveys. INDICATOR DESCRIPTION: Percent of children under 5 whose height for weight is not less than 2 standard deviations from the median of the International Reference Population (NCHS/CDC/WHO). COMMENTS: The 49% figure is from the 1992 DHS. New data from the 1997 DHS will be available in April 1998. National level data will be measured again in the 2002 DHS, and possibly other surveys in the interim. This measure will be used to monitor progress in overall poverty reduction and food security status, but targets are not set at this level.	YEAR	ACTUAL
	1992 (b)	49%
	1997/1998	
	1999/2000	
	2001/2002	

D. Global Climate Change Initiative

USAID Madagascar supports the USAID Global Climate Change Initiative (GCC), *to reduce threats to sustainable development posed by climate change*. Our efforts in decreasing the rate of forest loss, increasing the number of ecosystems captured in protected areas, and increasing the hectares of protected areas and sustainable forestry management can all be attributed to Intermediate Result 2 of the GCC: *decreased net greenhouse gas emissions from the land use/forest management sector*.

USAID Madagascar has achieved on-the-ground impacts to both preserve carbon stocks and to reduce the rate of loss of carbon stocks. We report on a number of indicators which show positive trends, such as increasing number of hectares under National Park Service protection (Table C.2) and a decreasing rate of forest loss (Table C.3). These results will be incorporated into the G/ENV program of GCC results reporting. Madagascar's natural resources program works extensively with local natural resources management organizations in capacity building to assure these monitoring efforts will continue.

E. Evaluations and Lessons Learned: Customer Feedback and Mature Partnerships

USAID continues to benefit from frequent customer feedback and its mature, collaborative partnerships with local organizations. During FY 1997, we supported two evaluations that merit special mention: a Lessons Learned Study of the impact of conservation and development activities undertaken during the first phase of Madagascar's National Environmental Action Plan (EP1) in peripheral zones around national parks, and a Participatory Assessment of USAID's Population Programs. These are described in Section II of this R4 under SO2 and SO3 performance reporting. We highlight them because of their important contribution to informing USAID's future programming and as examples of our commitment to customer service.

USAID also continues to take seriously its role as a "New Partnerships Initiative" (NPI) partner country. In 1996, we reported on our solid beginnings with NPI. In 1997, USAID Madagascar collaborated with BHR/PVC in a tri-sectoral analysis of problems and opportunities for coordination across SOs and among partners to increase synergies and impact overall. The analysis is being shared and its recommendations discussed among USAID's three SO teams and their partners at the national and regional levels. We expect already strong inter-sectoral coordination and partnering will be deepened as a result.

II. PERFORMANCE ANALYSIS

Table 3: Summary Table

Objective Name	Rating	Evaluation Findings
SO1: Foster an environment in which private action can flourish	EXCEEDED	The IMF's Staff Report for the Article IV Consultation (August 21, 1997) concluded: "Notwithstanding continuing political uncertainties since the start of Madagascar's program, fiscal discipline was maintained, and the implementation of prudent financial policies met with returning confidence as manifested in rising private domestic financial savings. Macroeconomic stabilization continued through early 1997 and was complemented by progress in structural reforms, although sometimes uneven."
SO2: Smaller, healthier families	MET	A wide variety of public and NGO partners of SO2 undertook a Participatory Assessment of the population program in 1997, which strongly confirmed their satisfaction with and interest in continuing the program and identified their priorities for future assistance. These were key to SO2's program planning for the FY 1998-2002 period.
SO3: Biologically diverse ecosystems conserved in priority conservation zones	EXCEEDED	A Lessons Learned Study of Integrated Conservation and Development Project zones (ICDPs) found that community members who participate in project activities demonstrate a higher level of knowledge concerning forest conservation than non-participants, and are better able to envision how they personally could be involved in protecting the forest. SO3 will expand activities begun under ICDPs, and from successes achieved in its agribusiness and agricultural research sectors, so that many more communities will be incorporated, leading to an increase in sustainable management practices and growth and a greater spatial distribution of actors.
Percent funding through NGOs and PVOs: FY 98: 34.72%; FY 99: 29.72%; FY 00: 29.37%		

A. STRATEGIC OBJECTIVE 1: FOSTER AN ENVIRONMENT IN WHICH PRIVATE ACTION CAN FLOURISH

As discussed in Part III, this Strategic Objective has been revised and transformed into a Special Objective in response to guidance provided in our management contract (Appendix A). The revised SPO results framework is presented in a Country Strategic Plan (CSP) Amendment which will be reviewed at the same time as the Mission's R4 2000. In this section, for the last time we present results achieved under the old (approved) SO. Some activities under the old SO will terminate in 1998, while other relatively new activities will continue under the new SPO. The latter activities and results are also discussed in the narrative portion of this section, as we believe it is important to discuss results achieved in 1997 for these newer activities, even though we will not present formal indicators until the next R4.

In the FY 1997-2001 MPP, the U.S. Mission identified the implementation of a Structural Adjustment Program (SAP) as its highest priority policy goal. USAID's support to improve monetary management was instrumental in helping the GOM achieve macroeconomic stability, a key condition for the approval of the SAP. As described in the revised SPO strategy, all SPO activities and expected results directly support key elements of the SAP; thus, this SPO contributes directly to the United States' highest priority national interest in Madagascar. It also contributes to consolidating and strengthening Madagascar's new democracy, the second highest priority U.S. national interest.

1. Performance Analysis

In light of the impressive results described below, the fact that most of our numerical targets were either exceeded or fully met, and the demonstrated impact these results had on *fostering an environment in which private action can flourish*, the Mission considers SO1 to have **exceeded** expected performance.

Considerable progress was made in 1997 towards improving the environment for private action in Madagascar. The approval of the Enhanced Structural Adjustment Facility (ESAF) by the IMF in November 1996, and of major World Bank programs, including a \$70 million Structural Adjustment Credit in March 1997, boosted donors' and private investors' confidence in the Government's commitment and ability to achieve the ambitious objectives of its Structural Adjustment Program (SAP). In March 1997, the Paris Club agreed to reschedule Madagascar's debt, enabling the debt-service ratio to fall from 46 percent in 1996 to 25 percent by the end of 1997.

Tables A.1 and A.2 show that these developments have begun to yield significant improvements in the environment for private action. Private investment as a percentage of GDP increased from 4.9 percent in 1996 to 6.4 percent in 1997, exceeding the IMF/GOM target. Increased private investment is the major source of job growth, which in turn is essential to raising incomes of the poor. Table A.2 shows that employment in the formal

sector grew by 5 percent in the first half of 1997 (an impressive average annual rate of roughly 10 percent). Unfortunately, employment figures are only available up to June 1997; hence, we cannot yet report on achievement of the annual target. If the (annualized) growth rate of 10 percent prevailed for the rest of the year, we would not reach our ambitious 1997 target. Given the increase in investment in 1997, however, we believe that the job growth rate will increase in the last half of the year.

The growth in investment and employment were made possible by an improved environment for private action. As reported in last year's R4, improved macroeconomic conditions were critical to restoring investor and donor confidence in the Government's commitment and ability to implement growth-oriented policies. USAID has played a significant role over the past several years in strengthening the GOM's macroeconomic management. USAID helped the Central Bank strengthen its capacity to conduct sound monetary policy independent of fiscal pressures. In the past, Central Bank advances to the Treasury were a major source of inflationary pressure. Inflation peaked in 1994 when it hit a year-on-year high of 61.2 percent. Since then, the monetary authorities have successfully reined in inflation via tight credit policies and a marked reduction in the Central Bank's advances (credits net of deposits) to the Treasury. Table A.3 shows the trend in this indicator. From a baseline of 14.1 percent in 1992, advances to the Treasury as a percent of GDP have steadily fallen, reaching an all time low of 2.5 percent in 1997. This helped contribute to a reduction in inflation to 4.8 percent in 1997, which in turn allowed for a slight relaxation of the tight credit conditions which prevailed in 1995 and 1996. Bank credit to the private sector (as percent of GDP), a measure of financial market deepening, increased modestly and on target in 1997 (Table A.4).

Last year, USAID provided technical assistance and training to the Central Bank to further improve its capacity to conduct monetary policy using indirect measures which promote the deepening of financial markets. This past year, we helped the Central Bank reform the auction of Treasury bills in the primary market. As a result, a pre-determined quantity of T-bills are now auctioned monthly using internationally standard procedures that ensure consistency and even treatment of all bids. Interest rates are thus determined via market principles. This has significant implications for the sustainable financing of such institutions as the National Environment Foundation, Tany Meva, created and supported by USAID under SO3. In 1997, Tany Meva purchased \$8 million in T-bills, which enabled it to maintain the real (FMG) value of its assets.

USAID has also provided support to Madagascar's National Savings Bank or the Caisse d'Epargne de Madagascar (CEM), the nation's foremost savings institution serving low-income clients throughout the country. To ensure that the CEM is financially sustainable, USAID assistance strengthened the CEM's capacity to conduct sound financial analysis and management, upgraded its management information system, and helped prepare a new law governing the CEM's transition from a Public Establishment to an Independent Company. In the preparation of this law, USAID technical assistance helped ensure that the CEM's asset base (derived from its own past earnings) remained intact (as opposed to becoming a debt owed to the State) and that its governing board has significant private sector representation.

While the law has not yet been submitted to the National Assembly, negotiations with the Government have resulted in agreement on these basic principles.

Tables A.5 and A.6 show that significant progress continues to be achieved in expanding access to financial services via the CEM's expansion. In 1997, CEM deposits grew by a hefty 61.8 percent, exceeding last year's impressive growth of 48.2 percent.⁴ Since 1992, the CEM's deposit base has increased approximately 100 percent in real terms. This robust growth demonstrates the CEM's success in harnessing and maintaining the confidence of existing and new clients. Last year, its client base grew by 14.9 percent to reach 420,602 (virtually on target), of which nearly half are women. No other microfinance institution in Madagascar comes anywhere near this level of client reach. Since 1992, the number of clients has grown by nearly 65 percent. The CEM's client base comprises approximately 6.6 percent of Madagascar's adult population.

Transition to the New SPO

Some relatively new ongoing activities are to continue under the proposed new SPO. These are novel in that they blend economic growth results with democracy and good governance results. We expect this integration to produce strong synergies. In the new SPO, they will fall within the two Intermediate Results of *Improved Legal, Financial, and Policy Conditions for Trade and Investment* and *More Informed and Responsive Public Participation in Economic and Legal Issues*. If the new SPO strategy and accompanying PMP are approved, we will provide performance tables on these results in next year's R4.

The centerpiece of the SPO results framework is our support to legal and judicial reform in Madagascar, implementation of which began in February 1997.⁵ The GOM has placed legal and judicial reform among the top priorities of the Structural Adjustment Program. The success of donor coordination and Malagasy leadership were demonstrated most recently in the World Bank/USAID/French Cooperation-funded National Conference of Judges, which featured frank debate among judges, lawyers, economic actors, civil society representatives, and high level policy makers. While the Minister of Justice has been an outspoken advocate of reform, the participation of the Prime Minister, the President of the National Assembly, and the Vice-Prime Minister of Finance and the Economy signified the growing real support that all branches of this Government place on improving the legal and judicial environment.

The first step in the legal reform process is the compilation of the nation's existing laws and accompanying decrees. USAID took the lead in coordinating donors' and partners' support

⁴Deposits are given in nominal terms. If these figures are adjusted by deflating by the tertiary sector's price index, real growth of deposits was 23.2 percent in 1996 and 51.9 percent in 1997.

⁵Some significant results were achieved in the development of the activity and in negotiations about it with the GOM. These include the establishment of the Malagasy Business Law Reform Commission and the negotiated increase in the GOM's budget for the Ministry of Justice (43 percent in 1997).

for this major endeavor. USAID and the World Bank financed the compilation of commercial texts and civil law, respectively, through domestic law firms. USAID organized quarterly progress reviews among donors, their respective consulting firms, and the GOM to report on progress, tackle common problems, and ensure that all the laws were adequately covered. The result is that the nation's legal texts have been compiled in a systematic fashion and are ready for final review.

One component of the LRJ activity involves improving public financial accountability. Managed by the USAID Controllers' office, this component provides training to the Chamber of Accounts and the Inspector General to acquaint them with modern, generally accepted audit procedures. As a result, the Chamber of Accounts performed its first two field audits of public agencies using the new techniques. This work is key to increasing taxpayers' confidence in the ability of the Government to manage public resources, and thus critical to increasing tax revenues--a key objective of the SAP. Complementing this work, USAID has taken the lead in promoting anti-corruption initiatives in Madagascar. USAID financed the participation of the Minister of Justice and a civil society representative in the Eighth International Anti-Corruption Conference in Lima, Peru. Shortly after their return, they participated in national radio and T.V. programs devoted to the topic which brought the subject into the forefront of public attention. The Minister of Justice has taken several bold initiatives to demonstrate his commitment to cleaning up the nation's judicial system. Shortly following his appointment, he issued an Ethics Code for judges and followed up by weeding out several judges found to have abused their office.

Implemented by the U.S. PVO, Pact, USAID's *Rary* Activity aims to increase the public's participation in key economic policy and legal issues. *Rary* means "weaving" in the Malagasy language, and here connotes the relationship between civil society and the state. Operating in two large municipalities (Fianarantsoa and Mahajanga), *Rary* has worked with the municipal authorities to convince them of the importance of improving their constituent outreach. *Rary* has helped the municipal councils establish communications bodies responsible for providing information to the public on public expenditure and tax issues. In both cities, uninformed taxpayers had revolted when suddenly hit with large increases in their property taxes. With technical support from *Rary*, in November the mayor of Mahajanga held his first town meeting with large taxpayers at which he presented the budgetary state of the city, the rationale for the property tax, and its method of calculation. This contributed to a significant increase in the municipality's tax recovery rate, from 12 percent in October, when the tax payment was due, to 35 percent by the end of December.

USAID's support of high quality economic analysis over the past year has begun to yield some significant results. This work provides analytical support for SO2 and SO3 and strengthens Malagasy institutional capacity to perform and use these analyses, a result which the Ministry of Finance and Economy considers essential to continue. Under a collaborative venture between the International Food Policy Research Institute and Madagascar's Agricultural Research Agency, work is being done to analyze agricultural production, marketing, and household welfare and how these vary according to policy and community

factors. In 1997, the survey work was completed in three regions (Fianarantsoa, Mahajanga, and Antsirabe). Preliminary analyses show that the effects of market liberalization vary significantly according to such factors as access to market roads, bank services, extension services, and public communication. This work is critical to informing policymakers and the public of the impact of market reforms and how potentially negative impacts on poor households can be ameliorated or avoided. A series of studies have been disseminated among experts for their feedback, and two have been published in *Economie de Madagascar*, the domestic economics journal.

Under the Mission's other major analytical activity, Cornell University, the Malagasy National Institute of Statistics, and a major Malagasy research institute are refining and updating an analytical model to analyze the impacts of policy change on the poor. This past year, researchers updated the model from its 1984 version and conducted two workshops to transfer the modelling technology to Malagasy researchers. Researchers produced one major study in 1997, *The Structure and Determinants of Poverty in Madagascar*. Analysis of the 1993/94 Household Survey Data shows, for example, that the relationship between population growth, land extension, and declining soil fertility and the apparent weakness of local land markets to serve as a means of re-distributing land to landless farmers.

Significant strides were made this past year in advancing the Leland Initiative objective of expanding use of the Internet in Madagascar. U.S. technical support and political leverage helped ensure that eight new private sector Internet Service Providers all received their requested lines from Malagasy Telecom, thus enabling them to become operational. USAID is now working with key partners, e.g., the National Assembly, the Central Bank, and the CEM to enable them to exploit this new technology.

2. Expected Progress Through FY 2000 and Management Actions

Under the proposed new SPO, USAID will no longer fund some activities carried out under the old SO1. In particular, support to the Central Bank for improved monetary management, a major component of SO1, will be dropped after September 1998. This decision was based on the need to make tough choices in focusing our support under the new SPO, combined with the great progress made in recent years by the Central Bank in conducting sound monetary policy as evidenced by the dramatic reduction in inflation and the marked reduction in Central Bank advances to the Treasury. USAID's support played a major role (as did complementary World Bank and Swiss support) in helping the Central Bank strengthen its capacity to implement sound monetary policy. Monetary and macroeconomic stabilization was in turn absolutely critical to renewing negotiations with the Bretton Woods Institutions and ultimately to the approval of the Structural Adjustment Program and the ESAF and SAC.

If the revised SPO strategy is approved and funded at the requested level, the prospects for achieving the expected intermediate results of a new, more focused SPO are highly favorable. The performance tables and narrative presented above demonstrate that significant results were achieved in accordance with performance targets under SO1. We expect this strong performance to continue under the new SPO.

If performance matches plans through FY 2000, USAID will have contributed significantly to an *Improved Environment for Private Initiative*. Towards achieving *improved legal, financial, and policy conditions for trade and investment* (IR1.1 under the proposed SPO), USAID will have helped Madagascar reform laws and decrees falling within Company Law and at least one other major area of business law. USAID will have also contributed to a 45 percent reduction in the private sector-related court case backlog by the year 2000 through its provision of basic equipment to the nation's woefully ill-equipped courts and via short-term international training of 15 judges and lawyers per year.

USAID will have helped the CEM achieve financial sustainability, thus guaranteeing that this largest microfinance institution is capable of reliably serving its client base without state support or interference. Targets for growth of deposits and clients are provided in the revised SPO strategy. Deposit growth is expected to slow, but remain relatively high at approximately 20 percent per year. With expected client growth of approximately 10 percent per year, the CEM will have over 600,000 clients by the year 2000.

If funding permits, USAID plans an assessment of Madagascar's World Trade Organization obligations and membership requirements as compared to its current compliance. Support would be provided to close the identified priority gaps. This work would help integrate Madagascar into the global trading arena and ensure that its investment and trade policies and laws conform to globally accepted standards and norms.

As indicators of *more informed and responsive public participation in economic and legal issues* (proposed IR1.2), by 1999 (the planned completion of *Rary*), four key policy issues will have been discussed with the participation of civil society, and at least 11 key actions taken by powerholders to increase communications with civil society. If results meet expectations, we plan to design a follow-on to this innovative and well-received activity. In addition, by 1999, 12 studies will have been disseminated in public fora demonstrating the demand for and use of economic analysis in policy decisions and dialogue. This will include analysis of the impacts of key policy changes on poor households. If funds permit, we will finance follow-on analyses to continue their important contributions to more informed policy dialogue and the strengthening of collaborating institutions' analytical capacity.

3. Environmental Compliance

SPO operated under existing programs in 1997, with no added activities. As a SOAG or other obligating mechanisms are developed for 1998, they will be subject to an Initial Environmental Examination (IEE).

SO INDICATORS

Table A.1

Strategic Objective 1: Foster An Environment In Which Private Action Can Flourish			
APPROVED: 09/14/1992		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: Improved Environment for Private Action			
INDICATOR: Increased Investment			
UNITS OF MEASURES: Private Investment as Percent of GDP SOURCE: Ministry of Finance, National Statistics Institute INDICATOR DESCRIPTION: COMMENTS: * The targets derive from the Policy Framework Paper which was formulated and adopted in 1996. ** As revised by GOM/IMF in December 1997. *** Estimated figure as of February 1998.	YEAR	PLANNED*	ACTUAL
	1992 (B)	-	3.7%
	1995		4.9%
	1996	4.0%	4.9%**
	1997	5.6%**	6.4%***

Table A.2

Strategic Objective 1: Foster An Environment In Which Private Action Can Flourish			
APPROVED: 09/14/1992		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: Improved Environment for Private Action			
INDICATOR: Increased Employment			
UNITS OF MEASURES: Number of Wage and Salary Earners in Formal Sector (Private sector only) SOURCE: National Social Security Fund (CNAPS) INDICATOR DESCRIPTION: COMMENTS: * Employment figures are only available for the period up to June 1997, i.e., the first half of 1997. As of June 1997, private employment in the formal sector was 426,712. This implies 5% growth for the first six months of the year, or an annualized growth rate of roughly 10%. The figure shown here for actual employment in 1997 assumes that the 10% annual growth rate prevailed for the remainder of the year. This is a conservative estimate. We believe that given the increase in investment in 1997, the job growth rate will show an increase in the latter half of the year. Employment figures for 1997 are expected to be available in April 1998.	YEAR	PLANNED	ACTUAL
	1992 (B)	-	282,387
	1995		373,593
	1996	421,000	406,489
	1997	477,200	447,138*

IR INDICATORS

Table A.3

Strategic Objective 1: Foster An Environment In Which Private Action Can Flourish APPROVED: 09/14/1992 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: Broader Access to Savings and Credit			
INDICATOR: Central Bank advances to Treasury as Share of GDP *			
UNITS OF MEASURES: Central Bank advances to Treasury as percent of GDP SOURCE: Central Bank INDICATOR DESCRIPTION: Central Bank loans to the Government minus Government deposits at the Central Bank divided by GDP COMMENTS: * Central Bank advances to the Treasury constitute an injection of money into the economy and thus are a source of inflationary pressure. Hence, a decrease in Central Bank advances to the Treasury indicates a reduction in this source of inflationary pressure and also signifies increased autonomy of the Central Bank. The steady reduction in Central Bank advances have contributed to the reduction in inflation from a high of 61.2% in 1994 to 4.8% in 1997. ** As revised by Central Bank. *** Provisional figure as of December 1997.	YEAR	PLANNED	ACTUAL
	1992 (B)	-	14.1%
	1993		11.5%
	1994		9.8%
	1995		5.3%
	1996	4.0%	4.2%**
	1997	3.0%	2.5%***

Table A.4

Strategic Objective 1: Foster An Environment In Which Private Action Can Flourish APPROVED: 09/14/1992 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: Broader Access to Savings and Credit			
INDICATOR: Banking System Credit to Private Sector as Share of GDP*			
UNITS OF MEASURES: Banking System Credit to the private sector as percent of GDP SOURCE: Central Bank INDICATOR DESCRIPTION: COMMENTS: * Given that inflation has stabilized, this indicator should rise in a measured, moderate fashion. Targets are given in the IMF ESAF document. ** As revised by Central Bank. *** Provisional figure as of December 1997.	YEAR	PLANNED	ACTUAL
	1992 (B)	-	16.4%
	1995		11.3%
	1996	10.0%	9.7%**
	1997	9.9%	9.9%***

Table A.5

Strategic Objective 1: Foster An Environment In Which Private Action Can Flourish APPROVED: 09/14/1992 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: Broader Access to Savings and Credit			
INDICATOR: Deposits in National Savings Bank (CEM)			
UNITS OF MEASURES: Current FMG deposits (FMG million) * SOURCE: National Savings Bank INDICATOR DESCRIPTION: COMMENTS: * In 1997, the average (monthly) exchange rate was approximately FMG 5000 = \$1US. ** While much of the CEM's success in expanding its deposit and client base derives from its successful (USAID-supported) efforts to improve its marketing strategies and client services, part of the growth can also be attributed to the relatively high interest rates it was able to offer over the last several years. It could do this due to the high rates it received on its deposits at the Treasury. Other banks which relied primarily on loan earnings were not able to offer such competitive interest rates. Now that inflation has stabilized, and interest rates on CEM deposits at the National Treasury have dramatically decreased, CEM deposit and client growth are not expected to remain as high as in recent years. The CEM has responded to the changed market conditions by reducing interest paid to depositors and tightening its cost management procedures.	YEAR	PLANNED	ACTUAL
	1992 (B)	-	13,006
	1993		16,150
	1994		23,456
	1995		32,818
	1996	29,000	48,644
	1997	38,000	78,714**

Table A.6

Strategic Objective 1: Foster An Environment In Which Private Action Can Flourish APPROVED: 09/14/1992 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: Broader Access to Savings and Credit			
INDICATOR: Clients of National Savings Bank			
UNITS OF MEASURES: Number of Clients SOURCE: National Savings Bank INDICATOR DESCRIPTION: COMMENTS: * T: Total M: Male F: Female ** Growth in the number of female clients has exceeded that of male clients over the past year.	YEAR	PLANNED	ACTUAL
	1992(B)	-	254,770
	1993		273,950
	1994		292,540
	1995		320,365
	1996	372,700	T: 365,559* M: 196,837 F: 168,722
	1997	428,000	T: 420,602** M: 222,426 F: 198,176

B. STRATEGIC OBJECTIVE 2: SMALLER, HEALTHIER FAMILIES

SO2, "*Smaller, Healthier Families*", supports Agency Goal 4, *world population stabilized and human health protected*, and contributes directly to two U.S. National Interests, *stabilize world population* and *protect human health and reduce spread of infectious diseases*. By building the capacity of local organizations, SO2 also contributes to Agency Goal 2, *democracy and good governance strengthened*, and to the U.S. National Interest *democracy and human rights*. SO2 takes the lead in managing USAID's contributions to a fourth U.S. National Interest, *humanitarian response*. The U.S. Embassy in Antananarivo ranked "family health and child survival" as its fourth highest priority in its FY 1997-2001 MPP.

1. Results Framework and Intermediate Results

A. Approved SO2 Results Framework

The SO2 Results Framework defines five levels of intervention which affect our ultimate customer -- the Malagasy family. The primary level is the family. The second is the community, which is key to effective behavior change. The third is the clinic, where quality and access to key health services directly affect the family's ability to accept and use those services. At the fourth level are the institutions that support these clinics. The fifth level is the policy environment. This framework integrates family planning, child survival and AIDS/STD prevention efforts; use of Title II food to support child survival, particularly at the community level; and improved monitoring and evaluation. To reinforce nutritional impact, we have developed a food security strategy that integrates disaster preparedness into SO2. The planned Title II monetization activities include strong HPN components.

B. 1997 DHS Results/Target Reassessment

SO2 set extremely ambitious targets, including some, such as substantial reductions in fertility and a two percent growth in contraceptive prevalence per year, that appeared over-ambitious to colleagues in USAID/W. Preliminary results of the 1997 DHS show that our reach did in fact exceed our grasp for these targets, and for overall immunization coverage. While use of services at the family level has not changed as much as anticipated, the results framework is sound. The improvements achieved at the intermediate levels are vital to overall impact, but require time to reach the family level.

2. Performance Analysis

SO2 exceeded targets in five indicators and met a sixth. Based on the discussion above and achievements to date, **our self-assessment is that SO2 has met its objectives**. We made major progress at four of five levels: community, health center, institutional, and policy. This happened despite high turnover in the Ministry of Health (MOH), which had a negative impact on MOH performance. Inter-sectoral collaboration in planning and execution is outstanding. A wide variety of public and NGO partners of the population program joined in a major participatory assessment in 1997. They strongly confirmed their satisfaction with and interest in continuing the program and identified their priorities for future assistance. Under

the new CSP, increased technical support for critical components such as immunization, and the overall integration of program elements, will allow the major accomplishments of the last five years to be more fully reflected in results at the family and SO levels.

SO LEVEL INDICATOR

We propose to use the Contraceptive Prevalence Rate (CPR) as our SO Level indicator, rather than the Total Fertility Rate (TFR), which is not within our span of management control. This change has been discussed with USAID/W and is more compatible with other USAID HPN programs. The CPR doubled from five percent of women in union in 1992 to ten percent in 1997 (Table B.1), an important rise of one percent per year, but below the very ambitious target of 14 percent. Per CSP review recommendations and preliminary 1997 DHS results, we have revised targets for 1998-2002 and added an indicator for CPR among all women 15-49 (Table B.2). We are also reporting the nutritional status of children under five at the goal level, as a key indicator of both poverty reduction and of the success of the food security strategy. We will track changes in child feeding behaviors and iron status, which contribute to food security by improving utilization, at the family level.

IR2.1 (Family Level) - Increased Use of Services and Healthy Behaviors

Data from the National Family Planning Management Information System (FP/MIS) show that Couple Years of Protection (CYP) from contraceptives have jumped from 72,000 in 1992 to close to 220,000 in 1997 -- an extraordinary increase (Table B.3). We consider this target met. As suggested in the 1997 R4 review, we have revised targets for the rest of the CSP period.

The 1997 DHS shows DTP 3 coverage (Table B.4) at 50 percent and measles coverage (Table B.5) at 48 percent, below our targets of 65 percent. There is no gender difference in coverage. Reduced donor support for immunization in the first part of the decade, and the inability of the MOH to compensate, had a strong negative impact on access to immunization services. In response, we increased our contribution to Madagascar's Expanded Program for Immunization (EPI) in the past two years, providing half of all 1997 EPI donor assistance to it. Innovative social mobilization approaches in two target districts have raised full immunization coverage in these areas from 40 percent in 1996 to 60 percent in 1997. As these approaches are generalized, better immunization results are expected at national levels. Our support for the EPI was strengthened in 1997 through a new Memorandum of Record which spells out the commitments of the MOH, UNICEF, and USAID to improve the program's execution. USAID's strong support for the Polio Eradication Campaign in 1997 led to extraordinary success, with a 99 percent coverage rate. This gave new impetus to the national EPI, especially in the morale and commitment of MOH staff. It also reinforced collaboration among partners.

IR2.2 (Community Level) - Increased Community Participation Leading to Improved Health and Food Security

SO2 worked intensely at the community level, and results greatly exceeded targets. Our strategy for behavior change in child survival is based on intensive research in target communities to understand dietary and other practices, formation of effective advocacy groups, and development of outreach approaches. Health messages and materials were first tested in two pilot districts, then revised, and are now being generalized for use by all our child survival partners. Vaccination day announcement flags, stickers and other materials have significantly raised immunization levels in pilot districts, and nutritional messages are expected to have a similar impact through the rest of the CSP period.

USAID's main contribution to AIDS/STD prevention has been the extraordinarily successful condom social marketing program (Table B.6). Sales began in July 1996, and by the end of 1997 over 4 million condoms had been sold at over 6,600 sales points (the initial objective was 750). In 1997 program coverage expanded beyond initial areas to specific "hot spots" that epidemiological and geographical information system (GIS) data identified as at relatively high risk of HIV. The program is now active in all cities at highest risk, and along all major transport routes. Community based distribution (CBD) of contraceptives also grew in 1997, reaching over 200 work sites and other urban and rural areas. Use of modern methods has risen sharply at sites using the program.

The Title II food aid transition to a community-based child survival program also exceeded targets (Table B.7). Survey data and qualitative research are being used to improve the quality of the health education and other aspects of the new program. Based on the high client demand expressed for family planning, CRS is exploring linkages with natural family planning activities supported by USAID.

IR2.3 (Health Center Level) - Increased Access to Quality Health Services

SO2 has greatly exceeded targets for access to quality health services (Table B.8). The number of health centers distributing contraceptives increased five-fold in five years. The 751 family planning sites in 1997 significantly exceed the target. This is in large part the result of our support for rehabilitating over 100 clinics, training over 1,200 health workers in service delivery and counseling, introducing new, interactive training techniques, and providing substantial equipment and supplies. We are developing an indicator to better track the qualitative aspects of health service delivery. Meanwhile, data from the 1996 Situational Analysis of family planning services has resulted in a new focus of USAID, MOH and other partners on supervision and quality control.

Our support for immunizations resulted in improved cold chain coverage. The availability of working refrigerators and other cold chain requirements rose from 39 percent of immunization sites in 1995 to 64 percent in 1997, well exceeding targets (Table B.9). We are increasing our technical involvement in the program to ensure that this cold chain is used effectively to improve immunization coverage.

IR2.4 (Institutional Level) - Increased Capacity to Plan and Manage Programs

In the CSP, we proposed two indicators at this level: percentage of sites providing family planning data (FP/MIS), and number of local entities receiving sub-grants. The FP/MIS we helped introduce is considered a model, and performance in this area has exceeded expectations. The MOH has decided to reform its Health Management Information System (HMIS), and has asked us to provide technical assistance and other support. We now expect that the FP/MIS and the EPI tracking system will be integrated into a new HMIS by 2002. This will greatly increase the MOH's ability to plan and manage programs. Rather than reporting over-achievements in the FP/MIS, we will develop a new indicator in 1998.

As part of the 1997 participatory assessment, the SO2 team developed an institutional capacity index. A survey instrument evaluated capacity in program management (planning, personnel, training capacity, supervision, etc.) as assessed by management in each partner organization, with the aid of a facilitator. The instrument was used by 21 partners and resulted in scores for each aspect of management, and a composite score for each institution. These provide a baseline against which we will measure progress in institutional capacity (Table B.10).

IR2.5 (Policy Level) - Improved Policies, Program Advocacy, and Decision-Making

Remarkable progress has been achieved at the policy level (Table B.11). For AIDS prevention and treatment of STDs, with USAID support, a syndromic algorithm has been tested and validated to improve treatment of STDs. The syndromic approach is now national policy, and is being used to develop programs for STD treatment. Integrated Management of Child Illnesses (IMCI), a joint effort of USAID and WHO, has been adopted by the MOH, which has reorganized its structure to meet IMCI goals. Similarly, the IEC Task Force completed preparation of standard child survival messages, tested them in communities, made revisions, and prepared and disseminated attractive and popular education and promotional materials.

Policy initiatives have also been successful in linking nutrition, food aid, food security, and disaster preparedness. A National Task Force on Nutrition was set up in 1997 to coordinate donor support and expand activities in micronutrients, community-based and clinic-based services, and promote breastfeeding. All USAID SO teams are collaborating with PVO sponsors in the development of Title II monetization activities to promote food security.

SO2 has facilitated analysis and use of the 1993 Census and other surveys, especially the 1992 and 1997 DHS, for program monitoring and evaluation. In addition, SO2 has collaborated closely with SO3 in use of GIS and population and socio-economic data relevant to both programs. SO2 has also worked with the Leland Initiative by using diskettes, web pages and CD ROMs to disseminate data and by supporting workshops in Data for Decision-Making.

3. Expected Progress through FY 2000 and Management Actions:

SO Level

We will consolidate and build on the gains achieved over the past five years through an integrated, collaborative and innovative program. We expect to serve as a pilot and model for multi-sectoral partnerships, state-of-the-art behavior change approaches (especially in nutrition), and cutting-edge quality of care work. In the context of food security and population efforts, we will broaden existing linkages across SOs. We propose to track the CPR for modern methods among women in union, and among all women 15-49, as the key SO2 indicators. We expect an increase of one percent prevalence per year among women in union. Between DHS surveys, we will use other data to estimate progress.

Family Level

We have revised targets for CYP to reflect expected gains in CPR. A CYP increase of 40,000 each year, reaching 340,000 in 2000, is an ambitious target in line with planned gains in prevalence. By 2000, new nutrition and micronutrient interventions are expected to result in changes in child feeding practices in child survival partner areas. It should be noted that analysis of existing data indicates that discrimination against girls does not appear to be a nutrition problem. In 1998, analysis of the 1997 DHS will establish baselines and targets for child anemia and exclusive breastfeeding (proposed Tables B.12 & B.13) for the rest of the CSP. We will monitor results annually through a multi-indicator mini-survey in a sample of project sites. The 2002 DHS, and other surveys conducted by partners, will provide additional information at national and regional levels.

For national immunization coverage, we have revised our targets in light of 1997 DHS results, and have acted to strengthen the execution of the program. A 1998-99 grant to UNICEF increases technical assistance to EPI, and we will closely monitor implementation of the Memorandum of Record. We will also track immunization coverage in priority child survival areas, where partners are using innovative approaches to improve use of services, and will work to generalize successful approaches.

Madagascar is one of the only African countries in which a rapid, targeted prevention effort might still avert a general AIDS epidemic. SO2 completed an assessment of AIDS and Sexually Transmitted Infections (STIs) in 1997. Although STIs are widespread, data indicate that HIV prevalence remains low and geographically concentrated in the capital and port cities. In 1998 USAID will award grants to UNICEF and NGOs to strengthen Behavior Change Communication activities and syndromic treatment of STIs in these zones. In 1998 these new partners will establish a baseline in their respective target areas concerning risky sex practices, and behavior change targets will be developed on the model of the "safer sex composite" proposed in the CSP. This will be presented in a new table in the 1999 R4.

Community Level

In 1998 condom social marketing will focus on increased sales in all AIDS "hot spots", and will begin sales of oral contraceptives and injectables. For family planning, CBD efforts will

be expanded. Successful community-based child survival behavior change approaches will be replicated, and new approaches for nutrition tested. The challenge will be to achieve impact across broader segments of the population without losing the benefits of an intensive approach to behavior change.

Clinical Level

Over the next two years the number of health sites providing family planning is not expected or desired to increase as rapidly as in the past. By 2000, there will be 900 public and private clinical sites. This rate of increase will allow more focus on the quality of FP services in the clinical sites, and an increasing number of sites will implement IMCI. Over the next two years, quality of care in the two focus regions will be assessed regularly, with an accent on developing appropriate supervision and refresher training systems.

Institutional and Policy Levels

To increase the sustainability of USAID-supported efforts, we will continue to strengthen the capacity of and collaboration among our partners. We will track this through the institutional capacity index. We expect this to become an important tool for building institutional capacity, as well as a measure of performance. We will also develop a new indicator to reflect progress in development of an HMIS. While continuing policy work in AIDS prevention and IMCI, we plan to use the new MEASURE Project for data for decision making activities and as a means to disseminate information. New partnerships in data collection, analysis and dissemination, and a stress on making data available locally and ensuring it is used in decision-making, will be priorities for this activity.

Linkages/synergies

The linkages between SO2 and SO3 have been energized through placement of a Population/Environment Fellow in Finanarantsoa, where SPO and SO3 are also active. The SOs have collaborated on several pilot family planning and health activities around national parks and conservation/development zones. A 1997 review of constraints and key factors for success will inform joint activities over the next two years.

The CSP review noted that "Madagascar was the first country in Africa to fully integrate a strategy for nutrition by linking micronutrient, community-based and clinic-based activities and breastfeeding, along with PL 48 Food Assistance." Led by SO2, food security and disaster preparedness have become cross-cutting themes of our program. The GOM has endorsed a new National Food Security Policy, and a National Food Security Task Force was established with USAID as a permanent member of the steering committee.

4. Environmental Compliance

In 1997, SO2 had no new activities and operated under the IEE done for its SOAG in 1996. In 1998, as Title II food aid and development programs are phased in, PVO sponsors will work with USAID and AFR to submit IEEs for activities proposed in their DAPs. These will comply with environmental guidelines developed by BHR.

SO2 INDICATORS

Table B.1

OBJECTIVE: SO2: Smaller, Healthier Families			
APPROVED: 09/14/1992		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: SO Level - SO2: Smaller, Healthier Families.			
INDICATOR: Contraceptive Prevalence Rate (CPR) for modern methods, women in union 15 to 49 years.			
UNIT OF MEASURE: Percent of women 15 to 49 in union who are currently using modern contraceptives. SOURCE: Demographic and Health Surveys INDICATOR DESCRIPTION: Modern methods include: OCs, Injectables, Norplant, Condoms, male and female sterilization, IUDs. COMMENTS: This table replaces the total fertility rate (TFR) as SO indicator based on program experience and suggestions from USAID/W team members that TFR is not within the manageable scope of the program. CPR was an IR indicator in last year's R4. * Targets for 1998 - 2002 have been revised based on program analysis and survey findings. We plan to have survey data from other sources for 1998-2001 and plan a third DHS in 2002.	YEAR	PLANNED	ACTUAL
	1992(b)		5.1%
	1997	14.0%	10.0%
	1998	11.0%*	
	1999	12.0%*	
	2000	13.0%*	
	2001	14.0%*	
	2002	15.0%*	

Table B.2 NEW

OBJECTIVE: SO2: Smaller, Healthier Families			
APPROVED: Proposed New Indicator		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: SO Level - SO2: Smaller, Healthier Families.			
INDICATOR : Contraceptive Prevalence Rate (CPR) for modern methods, all women 15-49 years.			
UNIT OF MEASURE: Percent of women 15 to 49 in union who are currently using modern methods. SOURCE: Demographic and Health Surveys. INDICATOR DESCRIPTION: Modern methods include: oral contraceptives, injectables, Norplant, condoms, male and female sterilization, and IUDs. COMMENTS: This table shows CPR for all women aged 15-49 years. SO2 needs to reach women at risk of unwanted pregnancy or STI transmission who may not be considered in union, especially adolescents. A broader category for the target population is therefore necessary. This will also allow increased comparability with other countries.	YEAR	PLANNED	ACTUAL
	1992(b)		3.5%
	1997		7.0%
	1998	8.0%	
	1999	8.5%	
	2000	9.0%	
	2001	10.0%	
	2002	11.0%	

IR INDICATORS

Table B.3

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: 09/14/1992			
RESULT NAME: IR2.1: Family Level - Increased Use of Services and Healthy Behaviors.			
INDICATOR: Couple Years of Protection (CYP) provided by contraceptive methods.			
UNIT OF MEASURE: Estimated protection provided by FP services based on volume of contraceptives distributed. SOURCE: Family Planning Management Information System (FP/MIS). INDICATOR DESCRIPTION: CYP is calculated by multiplying the quantity of methods distributed by a standard conversion factor. COMMENTS: We estimate an increase in 40,000 CYP per year starting with 1997 actuals. This is expected to raise CPR at least one percent per year. *Targets for 1998-2002 have been revised based on program analysis and survey findings.	YEAR	PLANNED	ACTUAL
	1992(b)		72,000
	1996	180,000	170,000
	1997	240,000	220,000
	1998	260,000*	
	1999	300,000*	
	2000	340,000*	
	2001	380,000*	
	2002	420,000*	

Table B.4 NEW

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: 07/18/1997			
RESULT NAME: IR2.1: Family Level - Increased Use of Services and Healthy Behaviors.			
INDICATOR: Use of Childhood Immunization Services - DPT3 coverage.			
UNIT OF MEASURE: Proportion of children 12-23 months receiving 3 DPT immunizations before 1 year of age. SOURCE: DHS (1992, 1997), Expanded Program for Immunization (EPI); MIS for 1996, which uses a different methodology than DHS and may indicate better results. INDICATOR DESCRIPTION: Information based on surveys which look at the child's immunization card or ask the mother or guardian for information. COMMENTS: Results for 1996 and 1997 are based on different data collection methods and do not necessarily indicate a decline in coverage for the period. * Targets for 1998-2002 have been revised based on program analysis and survey findings. ** 1997 DHS Preliminary results.	YEAR	PLANNED	ACTUAL
	1992(b)		48%
	1996	54%	55%
	1997	65%	50%**
	1998	52%*	
	1999	54%*	
	2000	56%*	
	2001	58%*	
	2002	60%*	

Table B.5 NEW

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: 07/18/1997			
RESULT NAME: IR2.1: Family Level - Increased Use of Services and Healthy Behaviors.			
INDICATOR: Use of Childhood Immunization Services - Measles.			
UNIT OF MEASURE: Proportion of children receiving 1 dose of measles vaccine before 1 year of age. SOURCE: DHS (1992, 1997) Expanded Program for Immunization (EPI) MIS for 1996, which uses a different methodology than DHS and may indicate better results. INDICATOR DESCRIPTION: Information based on surveys which look at child's immunization card or ask mother or guardian for information. COMMENTS: Results for 1996 and 1997 are based on different data collection methods and do not necessarily indicate a decline in coverage for the period. *Targets for 1998-2002 have been revised based on program analysis and survey findings. ** 1997 DHS Preliminary results	YEAR	PLANNED	ACTUAL
	1992(b)		39%
	1996	52%	52%
	1997	65%	48%**
	1998	50%*	
	1999	52%*	
	2000	54%*	
	2001	56%*	
	2002	58%*	

Table B.6 NEW

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: 07/18/1997			
RESULT NAME: IR2.2: Community Level - Increased Community Participation Leading to Improved Health and Food Security.			
INDICATOR: Condom sales through social marketing.			
UNIT OF MEASURE: Number of condoms sold through social marketing program. SOURCE: Social marketing program monthly reports_ INDICATOR DESCRIPTION: Units sold. COMMENTS: This remarkable growth in condom sales is expected to continue in the years ahead as the program expands sales points and marketing efforts.	YEAR	PLANNED	ACTUAL
	1996(b)	925,000	1,051,000
	1997	2,850,000	2,950,000
	1998	5,000,000	
	1999	7,000,000	
	2000	9,000,000	
	2001	11,000,000	
	2002	13,000,000	

Table B.7 NEW

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: 07/18/1997			
RESULT NAME: IR2.2: Community Level - Increased Community Participation Leading to Improved Health and Food Security.			
INDICATOR: Transition to Community-Based Title II Food Aid Program .			
UNIT OF MEASURE: Number of communities with health committees and community workers who screen children, provide health education, and distribute food under the Food Assisted Child Survival Program. SOURCE: Catholic Relief Services program documents and reports. INDICATOR DESCRIPTION: COMMENTS: All centers in the program with fixed facilities (n=348) should make the transition by 2000. The targets for 1998 and beyond have been adjusted somewhat from those presented in the CSP to reflect field conditions.	YEAR	PLANNED	ACTUAL
	1995(b)		-
	1996	66	70
	1997	132	143
	1998	196	
	1999	280	
	2000	348	

Table B.8 NEW

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar		
APPROVED: 07/18/1997				
RESULT NAME: IR2.3: Health Center Level - Increased Access to Quality Health Services.				
INDICATOR: Total number of clinical sites providing FP services nationwide.				
UNIT OF MEASURE: Number of fixed health sites with trained health workers, contraceptives and other needed elements to provide family planning services. SOURCE: FP/MIS. INDICATOR DESCRIPTION: Fixed clinical facilities providing FP services on a regular basis. COMMENTS: Does not include community based FP sites, which number close to 200 in 1997, nor social marketing sites which exceed 6,600 sites. We are currently developing an approach to measure and track CBD or other outreach approaches. These targets have been adjusted upward from those presented in the CSP.	YEAR	PLANNED	ACTUAL	
	1992(b)		150	
	1996	520	575	
	1997	630	751	
	1998	800		
	1999	850		
	2000	900		
	2001	950		
	2002	1000		

Table B.9 NEW

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: 07/18/1997			
RESULT NAME: IR2.3: Health Center Level-- Increased Access to Quality Health Services.			
INDICATOR: Cold chain coverage.			
UNIT OF MEASURE: Percentage of MOH EPI facilities with cold chain equipment in working condition. SOURCE: Health MIS Expanded Program for Immunization. INDICATOR DESCRIPTION: Percent of fixed facilities with functioning cold chain. COMMENTS: This has been the key feature of our program with UNICEF since 1996. Additional support to ensure effective management and outreach efforts is being provided under a follow-on grant to UNICEF for EPI in 1997. Targets for 1998 and 1999 have been adjusted upward from those presented in the CSP.	YEAR	PLANNED	ACTUAL
	1992(b)		46%
	1996	50%	51%
	1997	59%	63%
	1998	65%	
	1999	70%	
	2000	74%	
	2001	76%	
	2002	80%	

Table B.10 PROPOSED

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: Proposed New Indicator			
RESULT NAME: IR2.4: Institutional Level - Increased Capacity to Plan and Manage Programs.			
INDICATOR: Institutional Capacity Index.			
UNIT OF MEASURE: Composite score of overall institutional capacity. SOURCE: Annual exercise of self-assessment done by local partners. INDICATOR DESCRIPTION: Mean score based on answers to questions in a formal protocol administered by a management consultant, indicating level of institutional capacity in different aspects of management of health programs. COMMENTS: This exercise was part of the 1997 Population Program Assessment. It was considered very useful by our local partners. The instrument itself may be further refined as we focus on specific management issues. We believe this indicator is superior to the two indicators suggested in the CSP (FP MIS Reporting Rate and Management Skills).	YEAR	PLANNED	ACTUAL
	1997(b)		60.8%
	1998	62%	
	1999	65%	
	2000	70%	
	2001	75%	
	2002	80%	

Table B.11 NEW

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: 07/18/1997			
RESULT NAME: IR2.5: Policy Environment level--Improved Policies, Program Advocacy and Decision-Making			
INDICATOR: National Policies for: IMCI = Case Management of Childhood Illness CS = Child Survival Messages - ORT, EPI, breastfeeding, etc ... STD = Syndromic Treatment of Sexually Transmitted Diseases NUT = Nutrition messages C-R = Cost-Recovery			
UNIT OF MEASURE: Policies and activities SOURCE: Policy documents/decrees, activity reports from MOH, contractors and grantees. INDICATOR DESCRIPTION: USAID assessment of the extent to which each Policy has been: DEV = Defined and Developed APP = Formally approved by the MOH DISS = Disseminated to a wide audience PILOT = Implemented on a pilot basis IMP/G = Implemented on a wider, general basis COMMENTS: National policies on integrated management of child illnesses (IMCI) and syndromic treatment of STI were developed, partially or fully approved, and disseminated. Standardization of child survival messages has been accomplished and accepted by all partners. Implementation of all three approaches on a pilot basis has begun very rapidly. Nutrition messages are being developed with broad local participation. Field experience allows us to identify new policy needs. The Ministry of Health promulgated a policy of full cost-recovery in January 1998 with little advance preparation. USAID has adopted this as a new policy agenda item and will work with the MOH to modify and test the policy so that it can be phased in without creating hardship or loss in coverage. Other policy issues are expected to occur over the life of the SO which will require action in future years.	YEAR	PLANNED	ACTUAL
	1997 IMCI	DEV	DEV, APP
	CS	APP, DISS	DEV, APP, PILOT
	STD	DEV, APP, DISS	DEV, APP, PILOT
	NUT	DEV	DEV. in process
	C-R	--	Announced by MOH
	1998 IMCI	PILOT	
	CS	IMP/G	
	STD	DISS	
	NUT	APP, PILOT	
	C-R	Analyze, Test approaches	
	1999 IMCI	IMP/G	--
CS	IMP/G		
STD	IMP/G		
NUT	IMP/G		
C-R	Revise/PILOT		

PROPOSED NEW INDICATORS

Table B.12 PROPOSED

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: Proposed New Indicator			
RESULT NAME: IR2.1: Family level - Increased Use of Services and Healthy Behaviors.			
INDICATOR : Percent of children with adequate hemoglobin levels.			
UNIT OF MEASURE: Percent of children 6 to 35 months not suffering from anemia. SOURCE: 1997 Demographic and Health Survey and other surveys. INDICATOR DESCRIPTION: Percent of children 6 to 35 months who had a hemoglobin test, not found to suffer from any form of anemia. COMMENTS: Baseline measured by 1997 DHS with results available in April 1998. Indicator will be tracked annually through surveys in project areas.	YEAR	PLANNED	ACTUAL
	1997(b)		TBD
	1998	TBD	
	1999	TBD	
	2000	TBD	
	2001	TBD	
	2002	TBD	

Table B.13 PROPOSED

OBJECTIVE: SO2: Smaller, Healthier Families		COUNTRY/ORGANIZATION: USAID/Madagascar	
APPROVED: Proposed New Indicator			
RESULT NAME: IR2.1: Family level - Increased Use of Services and Healthy Behaviors.			
INDICATOR : Percent of exclusively breastfed infants.			
UNIT OF MEASURE: Percent of children aged under 4 months exclusively breastfed. SOURCE: 1992 and 1997 Demographic and Health Surveys, and other surveys. INDICATOR DESCRIPTION: Percent of children under 4 months who are breastfed without supplementary feeding or liquids. COMMENTS: 1997 DHS results will be available in April 1998. Indicator will be tracked annually through surveys in project areas.	YEAR	PLANNED	ACTUAL
	1992(b)		42%
	1997	TBD	TBD
	1998	TBD	TBD
	1999	TBD	TBD
	2000	TBD	TBD
	2001	TBD	TBD
	2002	TBD	TBD

C. STRATEGIC OBJECTIVE 3: BIOLOGICALLY DIVERSE ECOSYSTEMS CONSERVED IN PRIORITY CONSERVATION ZONES

1. Performance Analysis

Madagascar's Strategic Objective 3, "*Biologically Diverse Ecosystems Conserved in Priority Conservation Zones*", supports Agency Goal 5, *The World's Environment Protected for Long-term Sustainability*, and contributes directly to the U.S. National Interest of *sustainable global environment*, which is ranked third in the FY 1997-2001 MPP. By building the capacity of local organizations, SO3 also contributes to Agency Goal 2, *democracy and good governance strengthened*, and to the U.S. National Interest *democracy and human rights*. Conserving its environment is one of the GOM's highest priorities. This convergence has resulted in an extremely strong partnership between U.S. and Malagasy partners at all levels.

Madagascar's global recognition as a biodiversity hot spot has helped USAID focus on the need to safeguard remaining biodiversity while remaining sensitive to the needs of a very poor country with numerous development pressures. With our support, Madagascar is finding ways to meet the resource needs of an expanding population without compromising the diversity of its biological resources. USAID/Madagascar began a new management contract in 1997 with the approval of our Country Strategic Plan (CSP). 1997 was also a transitional year for the GOM's 15-year National Environmental Action Plan (NEAP). The first phase of the action plan (EP1), oriented towards institutional development, ended and the second phase (EP2) began with a focus on decentralization. Our strategy directly supports the NEAP, a program that has had extremely positive relations with, and has successfully encouraged the participation of, local environmental and development organizations, the GOM, and the donor community.

Though five of our indicators are new to this R4, they all reflect solid progress, validated by historic data, building on the efforts of our activities during EP1. These indicators respond to USAID/W's review of our CSP, which requested 1) a keystone species or biomass indicator to reflect the conservation of biological diversity, 2) a sustainable agriculture indicator, and 3) a community participation indicator.

Highlights of Achievements during 1997:

- Madagascar dedicated its largest national park and declared four additional parks, exceeding goals of land in protected status by 14 percent (Table C.2).
- Park management and forestry management plans exceeded expectations (by 22 percent and 12 percent respectively) showing improved capacity for effective management by government entities (Table C.4).
- Road Users Associations raised 84 percent of their yearly needs for continual road maintenance in 1997 through their own efforts (Table C.9).
- 50 percent of communities surrounding USAID supported ICDPs were practicing one or more project sponsored conservation based activities such as agroforestry (Table C.7).

- High dispersion of sustainable agricultural technologies was achieved through training for organic agriculture, composting technology, rice intensification, and agro-processing (Table C.8).
- Tany Meva, Africa's first private national environmental foundation, distributed its first grants to local NGOs (Table C.10).
- Madagascar operationalized its law for the environmental review of investment activities and reviewed four investment proposals, doubling target expectations (Table C.11).

Initiatives we support have helped: prioritize and expand the network of protected lands (from 1.8 percent of the total land area in 1989, to nearly 3.0 percent in 1997); institutionalize adaptive approaches to park and forest management; strengthen the capacity of communities to sustainably manage resources; guide the establishment of strong financial mechanisms in the civil society; and regulate the environmental impacts of development initiatives. 1997 marked a transition to a broader landscape approach, further complementing resource protection at a regional and national level.

SO3 SELF-ASSESSMENT:

SO3 has, in 4 out of 5 cases, exceeded its targets. We therefore conclude that SO3 is **exceeding** overall performance objectives.

SO LEVEL INDICATORS

EP2 sets the protection of different ecosystem types as a priority for the National Park System. The protection of the number of species, complexity of species assemblages, and the number of rare locally endemic species increases significantly with a cumulative increase in ecosystem types. The National Park System now includes 11 ecosystems, or 70 percent of the ecosystem types recognized in the country (Table C.1). Under EP2, protected land areas are expected to include all the differing ecosystem types by the year 2000.

USAID is a main contributor to the nascent National Park Service (ANGAP). In 1997, we supported the inauguration of Masoala National Park, Madagascar's largest (230,000 hectares) and a significant land area of lowland rain forest -- the most species-rich ecosystem type (Table C.2). Expected figures for additional land under protection level off in 1998 due to a hold on new park development until legislation for management of a National Park Service is enacted. This legislation is expected to be passed next year, but there may not be time to designate new parks before the year's end.

ANGAP excelled last year in formalizing a monitoring program with a system of aerial land-cover surveys. Figures detailing the rate of forest lost in priority conservation zones will be available next year from satellite imagery, which will help measure targets for the next four years (Table C.3). A new lower cost technique of aerial videography for the collection of data on forest cover is contributing to participatory planning by communities surrounding

protected areas. SAF, a Malagasy development NGO, in partnership with ANGAP and a U.S. university, scanned videographic images into a photo mosaic of a village. The photo showed no new clearing within the park and an increase in the growth of income generating tree crops in the peripheral zone. These images provide a measure of land use and are part of a toolbox of information to help community land use planning

Intermediate Result 3.1 - Improved Management of Critical Biodiversity Habitats

USAID promotes the establishment of new parks and reserves and supports their effective management through the institutional strengthening of ANGAP. 1997 marked a pivotal year as the management of six high priority parks was transferred from international NGOs to ANGAP. The transfer of other parks/reserves will continue during EP2. ANGAP's management responsibilities were tested in 1997, with the discovery of illegal exploitation of sapphires in the reserve of Ankarana. ANGAP played a leadership role in working with local and national authorities to develop and implement an action plan which is resulting in the gradual evacuation of illegal miners from the reserve and in increased park surveillance. Illegal exploitation of natural resources warrants close monitoring by the U.S. mission, the GOM, and the donor community in the coming months.

A survey of management in 12 parks reported that (Table C.4): 10 parks have clearly defined boundaries; all have enforcement in place, defined relationships with communities, and a management structure; 10 have ecotourism plans; nine are reinvesting from 30-50 percent of park fees into local communities; and six have approved management plans. ANGAP has initiated ecological monitoring in nine of the 12 parks, which will measure key species populations (e.g., Madagascar's largest lemur, the Indri-indri) and the diversity of key taxa (e.g., birds, amphibians, trees). ANGAP is expected to continue to improve its ability to assume park management; its goal is to have well developed management plans for all 12 national parks by 2001.

USAID recognizes the buffering capacity of peripheral forest areas for biodiversity protection and their potential importance as a source of resources and income for local communities. Through our support, multiple use forestry management plans have been developed collaboratively between the Ministry of Water and Forests and communities. Table C.5 reflects the progress made towards the completion of qualified management plans, which include environmental impact studies, organizational structures, and financial and economic analysis. Table C.6, a new indicator, shows the evolution from development of plans to their full implementation with the participation of community associations.

Intermediate Result 3.2 - Sustainable Use of Natural Resources in Broader Landscapes

1997 saw the culmination of one of USAID's primary foci in EP1 - Integrated Conservation and Development Projects (ICDPs). We funded six ICDPs, bringing some half million hectares of primary rainforest and other critical vegetation under protected area management. This effort employed more than 370 Malagasy and relied on the leadership and technical assistance of six international NGOs. Reporting completed in 1997 (Table C.7) showed that by 1996, approximately 50 percent of mapped communities surrounding the ICDPs were

participating in conservation-based activities. These focused primarily on promoting sustainable agriculture techniques (principally alternatives to slash and burn agriculture), alternative revenue generation activities, and improving natural resource management and land conservation, of which 21 percent were conducted in partnership with local NGOs. Three out of six ICDPs also initiated a system to redistribute a portion of park entrance fees to further support these types of activities. The receptivity of women to forming associations and participating in income-generating activities is of particular interest. Some 38 women's associations were formed in 1996 and were involved in market gardening, tree nurseries, handicrafts and export products. During the transition period last year, demand for assistance remained high, and 20 new communities were added.

As EP1 drew to a close, USAID launched a Lessons Learned Study of the ICDP experience focused on identifying what worked, what didn't and why. Encouraging results from the study indicated that local community members who participate in project activities demonstrate a higher level of knowledge about forest conservation than do non-participants and are better able to envision how they personally could help protect the forest. Overwhelmingly, respondents reported that ICDPs had enhanced the conservation of biodiversity. They cited the fact national parks were being created, managed and protected, and that alternatives to reduce pressures on the resource had been provided. Criticisms included: interventions had been too narrowly defined and the analysis of threats to biodiversity conservation had not always taken into account pressures on protected areas from outside the peripheral zones.

These lessons were instrumental in shaping EP2, which builds on the work begun by ICDPs but takes a broader landscape approach. Activities begun under ICDPs will be expanded. We expect that many more communities (as much as a 200 percent increase) will be incorporated, leading to an increase in sustainable management practices and a spreading spatial distribution of actors. In the future, we expect to report on new indicators that reflect this.

SO3 also includes complementary agricultural programs in rice research and agribusiness. In 1997, ecologically-focused agribusiness activities worked in seven subsectors (onions, dried fruits, mango pulp, tomato paste, grapes and vineyards, fruit trees, and charcoal production). Training for sustainable agriculture technology adoption focused on agribusiness management, conservation and eco-friendly production, diverse export products and organic production. Overall adoption figures have increased by 29 percent in three years (Table C.8) and the program has led to the adoption of many sustainable technologies:

- Training on essential oils, an important export crop, taught local producers about international markets and organic production and certification. An association of geranium oil producers was created as a result of the workshop.
- A seminar introduced a new composting technology, which improves production, regenerates soil, and helps reforest watershed areas.

- Several organizations became interested in production of dried fruits, vegetables, and medicinal plants. Following one workshop, a group of unemployed women formed an association to produce dried mangos, and have located domestic and international buyers.

Intermediate Result 3.3 - Domestic Financial Mechanisms Mobilized

USAID has supported the development of Africa's first private national environmental foundation, Tany Meva. The creation of such an organization is a lengthy process: based on worldwide experience, the average time needed is three years. Tany Meva was created in just two. During 1996, Tany Meva developed its organizational structure, hired staff and installed its Board of Directors. Grant making began in 1997 with outreach to rural communities nationwide through Regional Development Councils that identified potential recipients. The foundation received its first grant applications in July and distributed grants between October-December (Table C.10). The success of the foundation, which USAID is closely monitoring, depends upon its ability to attract outside investment. Encouragingly, in 1997, Tany Meva was able to mobilize dollar funding from another source, thereby increasing its grant making capacity by \$300,000.

Continued road rehabilitation and maintenance efforts, which assure farm to market transport, have lead to the establishment of 27 road user associations along 292 kilometers of rehabilitated roads between 1995 -1997. Ownership and maintenance of these roads is being turned over to road user associations; within the first eight months of 1997, such associations had earned 84 percent of the recurrent costs needed to maintain the roads (Table C.9).

Intermediate Result 3.4 - Supportive Environmental Policies and Procedures

USAID supports the Policy, Strategy and Instruments (PSI) Unit of the National Office of Environment (ONE). ONE works with sectoral ministries to assure that environmental concerns are considered in policy development. Of primary interest are the mining and tourism sectors where plans have been laid to consider the environmental aspects of these sectors in a regional development context. Efforts are underway to plan for development compatible with environment with both sectors deriving benefits from a regional approach.

Madagascar's first national environmental impact law (MECIE), created in 1995, was put to the test this year as investors submitted dossiers to ONE for environmental review. The PSI Unit of ONE along with the newly created inter-sectoral Environmental Technical Committee (CTE) reviewed these dossiers during 1997. The number of projects reviewed was twice that expected, signifying the effectiveness of this new unit (Table C.11). Planned figures for 1998 level off at four projects reviewed, because the dossiers now under consideration are for very large investments which may take up to three years to review. Two new activities planned for 1998 should help ensure continued success for this indicator: the development of a policy for investors to contribute 0.5 percent of their investment towards environmental review and a standardized computer tracking system for dossiers.

In our last R4 we reported on Environmental Impact Assessment training of 70 individuals in government, private sector and NGO organizations. We continue to see the results of that effort. For example, in 1997, one trainee at the Ministry of Agriculture took the lead in developing a manual on mitigation measures for environmental impact; another works with the agribusiness sector to review potential environmental hazards and propose mitigation actions; a third, from the Ministry of Environment, became a technical advisor to the CTEs. All three of these trainees are women.

2. Expected Progress Though FY 2000 and Management Actions

USAID expects to achieve significant results which contribute to the conservation of unique biodiversity. We expect to improve sustainable natural resource management and biodiversity conservation in critical habitats and broader landscapes as well as establish a national enabling environment of policies, institutions and financial mechanisms which balances needed growth, environmental protection and sustainable resource use.

By 2000, the number of hectares in protected status will increase by approximately 700,000 to 1.75 million, or around 10 percent of all forested area in Madagascar, a significant increase from 1.08 million when we started in 1989. We will support ANGAP's maturation into a national park service from a coordinating body, and improve the Forest Service's work on community forest management. We will work with GOM to turn its environmental policy law into a functioning and implementable regulation with environmental assessments being a regular part of investment decisions. Local communities will have access to market information and sustainable practices to replace destructive slash and burn agriculture. Community participation in regional planning will be extensively used and participatory development in natural resources use and management will be firmly in place.

Both SO3 Results Packages are integrally linked for comprehensive environmental development. RP1 design (the Landscape Ecology Approach) was completed in 1997; activities will come on-line in 1998. RP2 design (National Level Enabling Conditions) will be completed in 1998 with new activities in policy, communication, monitoring and improved information for decision-makers. We believe that the two RPs, combined with our strong partnerships with the GOM, NGOs, and emerging private organizations, will ensure the achievement of all targets by the year 2000.

3. Environmental Compliance

In 1997, USAID signed a five-year SOAG for SO3 with the GOM. IEEs were done at the RP level. RP1 was granted a negative impact with conditions in some areas. As these activities are more fully identified, they will be reviewed again for environmental impact and conditions will be monitored. RP2 focuses on policy and information development and received a negative determination with conditions, which will also be monitored.

SO 3 INDICATORS

Table C.1 - NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: Proposed New Indicator COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: SO Level: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones			
INDICATOR: Types of Madagascar's Natural Ecosystems represented in the National Park System			
UNIT OF MEASURE: Percentage (%) of different types of ecosystems represented SOURCE: Madagascar National Park System (ANGAP) INDICATOR DESCRIPTION: Landsat satellite imagery acquired between 1972-1979 was used to map primary-vegetation cover for 16 terrestrial ecosystem-types. The baseline measures the percentage of 16 terrestrial ecosystem types in Madagascar, which are found in the National Park System. COMMENTS: This new indicator provides a new performance measure of biodiversity protection. Madagascar has a high number of species that only occur in the country distributed among 16 different terrestrial ecosystem types. No single species and no particular ecosystem type are "keystone." Species richness, the diversity of species assemblages, and the number of rare locally-endemic species increase significantly with a cumulative increase in the number of ecosystem types. ANGAP has set 100% as a goal by the year 2000, and is using the distribution of natural ecosystems as a guide to prioritize new areas for protection in Phase II of the NEAP. The mission supports this approach toward conserving biological diversity, especially when it is strengthened by putting more land under protection and by decreasing the rate of forest clearing (SO Indicators 2 and 3). Between 1989-1997, the amount of protected lowland (e.g., Masoala) and mid-montane (e.g., Ranomafana) rain forest rose, and Madagascar added its first marine ecosystem, not presently reflected in ANGAP's measure.	YEAR	PLANNED	ACTUAL
	1997(b)		70%
	1998	75%	
	1999	85%	
	2000	100%	
	2001	100%	

The 16 terrestrial ecosystem types: 1- Broadleaved Evergreen Rain Forest, 2 - Littoral Forest, 3 - Deciduous, Seasonally Dry Forest, 4 - Karst, 5 - Riverine, 6 - Mangrove, 7 - Dunes and Coastal, 8 - Mid-Altitude Semievergreen Forest, 11 - Dry Deciduous Forest dominated by *Didierea* and Euphorbes, 12 - Dry-Deciduous Shrubland, 13 - Evergreen Lower-Montane Forest, 14 - Shrubland dominated by *Philippia*, 15 - Dense Shrubland, 16 - Marshland. Marine ecosystems are not presently reflected in ANGAP's data collection, but will be added in the next several years.

(b) = BASELINE

Table C.2 NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: 07/18/1997 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: SO Level: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones			
INDICATOR: Natural Habitat Contained in Madagascar National Park System			
UNIT OF MEASURE: Hectares	YEAR	PLANNED	ACTUAL
SOURCE: Ministry of Water and Forests; Published Decrees for National Parks INDICATOR DESCRIPTION: Number of hectares of natural habitat designated within the protected area system as a National Park, Special Reserve, or Special Nature Reserve. COMMENTS: Boundary changes and an update on all aerial measures using GIS occurred during the SAVEM project (1991-1996) resulted in redefinition of actual areas for prior years (*). In 1997, Madagascar's largest national park, Masoala (230,000 ha), was established, two nature reserves (Zahamena and Andohahela) were raised to national park status, and four new national parks were approved by the president and are awaiting publication of their status in the official journal. The figure (**) shows actual achieved results which await official publication. Prediction of a leveling between 1997 and 1998 is due to a hold on developing new parks until legislation/regulation is passed, granting power to the National Park Service (ANGAP).	1989(b)		1,080,175*
	1993		1,125,867*
	1996		1,125,867*
	1997	1,500,000	1,716,395**
	1998	1,500,000	
	1999	1,600,000	
	2000	1,750,000	
	2001	1,800,000	

Table C.3 NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: 07/18/1997 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: SO Level: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones			
INDICATOR: Decreasing Rate of Annual Forest Loss in Conservation Priority Zones			
UNIT OF MEASURE: Percentage (%) of forest loss	YEAR	PLANNED	ACTUAL
SOURCE: Study of vegetative cover in conservation priority zones under the direction of ANGAP/DIVB/GIS INDICATOR DESCRIPTION: Baseline rate compares percentage of forest loss by measuring 1991/1992 total hectares of primary and secondary forests in 17 conservation priority zones versus 1994/1995 total hectares of primary and secondary forests for the same zones which is measured every four years. COMMENTS: The baseline number shows a change from 2.25% presented in R4-99, which is explained by the use of a more complete baseline data set for 17 versus 14 study areas. The indicator is gathered from aerial photography, aerial videography, or satellite imagery taken every 4 years.	1994/1995(b)		2.62%
	1998	2.50%	
	2002	2.00%	

IR INDICATORS

Table C.4 NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: 07/18/1997 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: IR3.1: Improved Management of Critical Biodiversity Habitats			
INDICATOR: Qualified Park Management Plans Developed and Implemented			
UNIT OF MEASURE: Percentage (%)	YEAR	PLANNED	ACTUAL
SOURCE: Madagascar National Park System (ANGAP)	1993(b)		0%
	1994		13%
	1995		35%
	1996		50%
INDICATOR DESCRIPTION: Percentage of completed elements for 12 parks and reserves with ecotourism-related revenue-generating potential in Madagascar's National Park System.	1997	60%	82%
COMMENTS: Qualified park management plans consist of these required elements: (1) clearly defined and marked boundaries; (2) enforcement mechanisms in place; (3) clearly defined relationships with surrounding communities; (4) infrastructure for park management; (5) biodiversity/ecological monitoring plan; (6) an ecotourism development plan; (7) system for reinvestment of park entrance fees into the local communities; (8) manual for park management; and (9) park management transferred to the National Park Service (ANGAP). The first five criteria parallel ANGAP's internal review of management and the last four reflect an external survey of park management in partnership with ANGAP.	1998	85%	
	1999	90%	
	2000	95%	
	2001	100%	

Table C.5 NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: 07/18/97 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: IR3.1: Improved Management of Critical Biodiversity Habitats			
INDICATOR: Qualified Forest-Management Plans Developed and Implemented			
UNIT OF MEASURE: Per cent of completed elements (%) SOURCE: Ministry of Water and Forests (MEF), Unit of Survey and Evaluation INDICATOR DESCRIPTION: Percentage of ten elements required for the development of qualified participatory forest management plans, as monitored for eight classified forests. COMMENTS: Qualified forest management plans consist of these required elements: (1) biophysical and socio-economic background studies completed; (2) objectives of management clearly defined through a participatory process; (3) expected results defined; (4) activities defined and scheduled; (5) forest standards and guidelines defined; (6) organization structure defined; (7) financial and economic analysis completed; (8) environmental impact study completed; (9) monitoring and evaluation plan developed; and (10) activities implemented.	YEAR	PLANNED	ACTUAL
	1993(b) 1996		0% 21%
	1997	35%	47%
	1998	50%	
	1999	65%	
	2000	80%	
	2001	100%	

Table C.6 - NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: Proposed New Indicator COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: IR3.1: Improved Management of Critical Biodiversity Habitats			
INDICATOR: Community-Based Associations Involved with Local Authorities in Multiple-Use Forest Management			
UNIT OF MEASURE: Number of Community-Based Associations Involved with Multiple-Use Forest Management SOURCE: Ministry of Water and Forests (MEF), Unit of Survey and Evaluation INDICATOR DESCRIPTION: Community-based associations formed for the purpose of contributing directly toward the development of participatory forest management plans. COMMENTS: This new indicator reflects USAID direct support for community participation in the development of multi-use forest management plans, an important component of EP2. Currently community-based association "involvement" is determined at two levels: (1) community-based associations formed, and (2) contracts signed between community-based associations and local forest authorities (several associations may be empowered under the same contract). In the future an additional element: (3) associations actively undertaking forest management, will also be reported. During KEPEN and the transition (1997), USAID has provided continued support for the training and placement of forest-field agents, the formation of associations, the partnerships between the two, and the initiation of participatory management plans in eight diverse forest ecosystems. Continued support will expand the number of associations and plans to other forests in the conservation priority zones.	YEAR	PLANNED	ACTUAL
	1994(b)		0
	1997		(1) 1 (2) 1
	1998	(1) 20 (2) 4	
	1999	(1) 30 (2) 7	
	2000	(1) 40 (2) 11	
	2001	(1) 40 (2) 13	

Table C.7 - NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: Proposed New Indicator COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: IR3.2: Sustainable Use of Natural Resources in Broader Landscapes			
INDICATOR: Number of Villages in Priority Zones Participating in Community-Based Conservation Activities			
UNIT OF MEASURE: Total Number of Villages SOURCE: Project-Activity Reports INDICATOR DESCRIPTION: <i>Villages</i> are the smallest geographically discrete rural settlements (Fokontany) that are mapped and/or identified in the national census. <i>Community-based conservation activities</i> are those directed at the wise use and sustainable management of resources for development. COMMENTS: The baseline for this new performance measure was derived from final reports and field surveys of villages where one or more groups are carrying out a conservation-development intervention in the periphery of five USAID supported ICDPs (Andohahela, Zahamena, Andasibe/Mantadia, Ranomafana, and Amber Mountain complex). Community-based conservation activities in these villages at the close of SAVEM (1996) and during the transitional phase (1997) form a basis upon which future efforts can geographically expand to community participation in resource conservation across the broader landscape. We have chosen to track "villages" instead of households for labor and cost efficiency.	YEAR	PLANNED	ACTUAL
	1989(b) 1996 1997		0 129 144
	1998	150	
	1999	200	
	2000	300	
	2001	400	

Table C.8 - NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: 07/18/1997 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: IR3.2: Sustainable Use of Natural Resources in Broader Landscapes			
INDICATOR: Number of Public/Private Clients Adopting Sustainable Agriculture Practices			
UNIT OF MEASURE: Number of Individuals SOURCE: Project-Activity Reports INDICATOR DESCRIPTION: This new indicator measures the adoption of sustainable agricultural practices promoted by USAID funded capacity-building workshops or field-based training activities. These individuals are normally community leaders and entrepreneurs. It is assumed, conservatively, that 50% of individuals trained adopt the practices. <i>Sustainable agriculture practices</i> include activities which conserve the natural resources upon which agriculture depends (soils, water...) or contribute to an intensification of agriculture (income/land area), hence reducing the need for land expansion. COMMENTS: Baseline data for 1994/95 are compiled from two USAID-funded projects that emphasize agricultural development, IRRI (International Rice Research Institute) and MAELPS (Madagascar Agricultural Export Liberalization Support Project), and from comparable programs in 1997, IRRI and CAP (Commercial Agricultural Production).	YEAR	PLANNED	ACTUAL
	1994/ 1995(b) 1997		165 233
	1998	250	
	1999	300	
	2000	400	
	2001	500	

Table C.9 - NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: Proposed New Indicator COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: IR3.3: Domestic Financial Mechanisms Mobilized			
INDICATOR: Total Receipts from Road-User Associations			
UNIT OF MEASURE: Millions Malagasy Francs (FMG) SOURCE: USAID Partner Activity Reports INDICATOR DESCRIPTION: Tolls collected by 27 Road User Associations (RUA) and 2 operational unions of road-user associations. All RUAs will be collecting fees by 1999. COMMENTS: This new indicator reflects total receipts from tolls, which represent about 50% of the total revenues. We have selected to track toll receipts (rather than kilometers of roads) because tolls are a measure of the financial sustainability of these associations. Sustainability ensures the continued accessibility of these roads for transport and agricultural development. 292 kilometers of roads were rehabilitated between 1995-1997. Ownership and maintenance of these roads are progressively being turned over to road-user associations. The program predicts that maintenance costs, estimated at about US\$100/km (540,000 FMG/km) will be met by year 2001 for all associations. *Data compiled March-October 1997 for 7 Road-User Associations currently collecting fees.	YEAR	PLANNED	ACTUAL
	1996(b) 1997		0 28*
	1998	80	
	1999	100	
	2000	120	
	2001	160	

Table C.10 NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: 07/18/1997 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: IR3.3: Domestic Financial Mechanisms Mobilized			
INDICATOR: Financing provided for Local Environmental Actions by Tany Meva			
UNIT OF MEASURE: Million Malagasy Francs (FMG)	YEAR	PLANNED	ACTUAL
_____	1997(b)	1250*	725
SOURCE: Tany Meva Financial Reports			
INDICATOR DESCRIPTION: Total grants committed during the year. Data are reported in FMG (approximate exchange rate 5000 FMG to 1 US dollar).	1998	2000	
COMMENTS: This indicator was proposed last year in our CSP. Tany Meva received over 100 grant applications in late 1997 and had approved and distributed funds for six grants between October-December 1997. In addition they were made responsible for the distribution of US \$300,000 under a subcontract with PACT for NGO development activities in the former ICDPs. The actual amount of grants as of December 1997 was lower than expected due to an expanded community outreach program which lengthened the grant application period. The number of grant proposals received and grants awarded are at the projected level. However, there were only 6 months for review and distribution versus the 12 months originally planned.	1999	2500	
	2000	2750	
	2001	3000	

* CSP planned level.

Table C.11 NEW

STRATEGIC OBJECTIVE 3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones APPROVED: 07/18/1997 COUNTRY/ORGANIZATION: USAID/Madagascar			
RESULT NAME: IR3.4: Supportive Environmental Policies and Procedures			
INDICATOR: Investment Projects Passed Through Environmental Review			
UNIT OF MEASURE: Number of Investment Projects	YEAR	PLANNED	ACTUAL
SOURCE: Office of the National Environment (ONE) INDICATOR DESCRIPTION: Investment projects approved by the Technical Evaluation Committee (CTE), under the National Program to make investments compatible with the environment (MECIE). COMMENTS: The technical evaluation committee received 12 requests for approval since the beginning of the program in 1996. A technical review takes several months to over a year to complete for small dossiers, up to three years for large dossiers. Planned figures must account for the number going under review and the time required for the technical reviews. Our prediction for the future reflects the expectation of large, time-consuming dossiers. * CSP planned level	1996(b)		0
	1997	2*	4
	1998	4	
	1999	5	
	2000	6	
	2001	8	

III. MANAGEMENT CONTRACT

This is the first year USAID/Madagascar is reporting under its new Management Contract (see Appendix A). This Management Contract comprises the CSP for 1997-2002, as modified by:

- its CSP review cable, 97-STATE 135276 dated 18 July 1997; and
- its FY 1999 R4 review cable, 97-STATE 147043 dated 6 August 1997.

The CSP review cable approved USAID Madagascar's program for SO2 and SO3, with a recommendation to support Madagascar's Structural Adjustment Program through a Special Program Objective (SPO) rather than a full Strategic Objective (SO1) as the Mission had proposed.

The CSP cable instructed the Mission to submit the following Strategy revisions:

- 1) The Mission was to revise its CSP with regard to wording of its Goal, SO1/SPO, and SO3 statements. Revised wording of the Goal, SPO, and SO3 statements is included in this R4.
- 2) In addition to changing the wording of SO1/SPO, the Mission was to refine the SPO to reflect the anticipated annual budget level of US\$2.5 million. The proposed SPO Strategy at the recommended budget level has been submitted concurrently with this R4 for USAID Washington approval.

The CSP cable also recommended changes in selected indicators for SO2 and SO3. SO2 was to:

- 1) Develop a nutritional status indicator for the SO level. As described in section I of this R4, we instead propose a goal-level nutritional indicator on stunting, which will also measure progress toward food security by SPO and the two SOs. As described in section II.B.2, SO2 additionally proposes two IR level nutritional indicators for which it will be accountable: percent of children with adequate hemoglobin levels (Table B.12) and percent of exclusively breastfed infants (Table B.13).
- 2) Use proxies and other donor surveys for non-DHS years. Use of such proxies and other surveys is cited under "source" in this year's indicator tables.
- 3) Revise outyear targets based on the 1997 DHS. We have done this.

The CSP review recommended that SO3 develop indicators for:

- 1) A keystone species or biomass. This requirement is met through the new SO3 Indicator C.1, types of Madagascar's natural ecosystems represented in the National

Park system, in combination with Indicators C.2 and C.3 at the SO level. C.2 is natural habitat contained in Madagascar's National Park system, and C.3 is decreasing rate of annual forest loss in conservation priority zones.

2) Sustainable agriculture. This requirement is met by the new SO3 Indicator C.8, number of public/private clients adopting sustainable agriculture practices.

3) Community participation. SO3 has selected two such indicators to measure and report on community participation. These are C.6, community-based associations involved with local authorities in multiple-use forest management, and C.7, number of villages in priority zones participating in community-based conservation activities.

Following R4 guidance given during the Johannesburg workshop, we have reported on at least one -- and frequently several -- indicator(s) each at the SO and IR levels for each SO. We have chosen these from among all indicators presented in our approved CSP, and believe they fully and accurately represent program performance without being excessive. SO teams will continue to monitor the other indicators and report on them at the Mission level as appropriate.

The CSP review cable instructed the Mission to address the issue of food security in collaboration with Title II PVO cooperating sponsors, and to consider food security as a cross-cutting theme with indicators at the goal level. Section I of this R4 explains that the Mission has done this. We will share our new Food Security Strategy with virtual team members in Washington who have been instrumental in its development.

The CSP cable also encouraged the Mission to develop a medium for informing the Bureau of the ways in which the SPO/SOs support and rely on each other, with the use of additional indicators, or the R4 narrative, or a stand-alone report modelled on the NPI report. The Mission has followed all three suggestions:

1) The new goal-level indicators on decreased levels of poverty and stunting, which measure both long-term poverty reduction, as well as medium-term food security, can only be achieved through the efforts of all three SPO/SOs.

2) The R4 performance narrative for each SPO/ SO includes examples of program synergy and collaboration.

3) BHR/PVC and the Mission funded a consultant from the Institute for Development Research to assess inter-SO collaboration. The resulting report "USAID Program at Fianarantsoa, Madagascar: Problems and Opportunities for Coordination ... a tri-sectoral approach" provided a number of recommendations in this regard, and is being used as a basis for increased cooperation.

APPENDIX A

MANAGEMENT CONTRACT

CONFORMED COPY
FEBRUARY 1997 CSP SUBMISSION REVIEW CABLE

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ACTION : AID-1
INFO : ECON-1 DCM-1 AMB-1

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UNCLAS SECTION 01 OF 03 STATE 134276

AIDAC AID FOR USAID/MADAGASCAR

E.O. 12958 : N/A
TAGS :
SUBJECT : MADAGASCAR COUNTRY STRATEGIC PLAN : FY 1998 -
2002

1. SUMMARY. USAID/MADAGASCAR'S PROGRAM WEEK WAS HELD MARCH 4-7, 1997 IN WASHINGTON. USAID/MADAGASCAR'S PROPOSED COUNTRY STRATEGIC PLAN (CSP) : FY 1998 - 2002, CONSISTING OF THREE STRATEGIC OBJECTIVES IN ECONOMIC GROWTH - DEMOCRACY/GOVERNANCE, FAMILY HEALTH AND ENVIRONMENT WAS REVIEWED. THE USAID/MADAGASCAR PROGRAM WAS APPROVED WITH THE MISSION'S PROPOSED STRATEGIC OBJECTIVES IN FAMILY HEALTH AND THE ENVIRONMENT, WITH A RECOMMENDATION TO SUPPORT MADAGASCAR'S STRUCTURAL ADJUSTMENT PROGRAM THROUGH A TIME-BOUND SPECIAL OBJECTIVE. ANTICIPATED ANNUAL DEVELOPMENT ASSISTANCE FUNDING OF USD 16.5 MILLION AND STAFF LEVELS AT AFR BUREAU CONTROL FIGURES WERE CONFIRMED, WITH THE PROVISIO THAT LIMITED MISSIONS ARE VULNERABLE TO FUTURE BUDGET AND STAFF CUTS IF RESOURCE DEMANDS EXCEED BUREAU LEVELS. THE MANAGEMENT CONTRACT BETWEEN THE MISSION AND USAID/WASHINGTON CONSISTS OF THIS CABLE AND THE AMENDED CSP TO BE PREPARED BY THE MISSION. END SUMMARY.

2. USAID/MADAGASCAR'S STRATEGIC PLAN FOR FY 1998 - 2002 WAS REVIEWED IN WASHINGTON MARCH 4-7, 1997. PROGRAM WEEK MEETINGS WERE CHAIRED BY DAA/AFR GARY BOMBARDIER AND THE WRAP-UP MEETING BY A/AA/AFR CAROL PEASLEY. REPRESENTATIVES FROM THE AFRICA, GLOBAL, MANAGEMENT, PPC AND BHR BUREAUS PARTICIPATED IN THE REVIEW. USAID/MADAGASCAR WAS REPRESENTED BY DEPUTY DIRECTOR KAREN POE, SUPERVISORY PROJECT DEVELOPMENT OFFICER FRANK MARTIN, SUPERVISORY HEALTH/POPULATION OFFICER CAROL PAYNE, SUPERVISORY NATURAL RESOURCES OFFICER HELEN GUNTHER, AND ENVIRONMENTAL SPECIALIST LISA GAYLORD. THE TWO WORKING

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SESSIONS ON MARCH 4 AND 6 WERE DEVOTED TO ISSUES ON EACH OF THE STRATEGIC OBJECTIVES AND ON MANAGEMENT CONCERNS. MOST OF THE DISCUSSION TIME WAS DEVOTED TO THE MISSION'S PROPOSED ECONOMIC GROWTH/DEMOCRACY-GOVERNANCE (EG/DG) STRATEGIC OBJECTIVE.

3. DAA/AFR OPENED THE MEETING BY CONGRATULATING THE MADAGASCAR MISSION ON THE HIGH QUALITY OF THE CSP DOCUMENT. HE EXPLAINED THAT THE AFRICA BUREAU ENCOURAGES MISSIONS -- OF WHATEVER DESIGNATION -- TO PUSH THE ENVELOPE OF CREATIVITY, BOTTOM-UP DEVELOPMENT, AND RESULTS ORIENTATION. HE COMPLEMENTED VIRTUAL TEAM MEMBERS IN WASHINGTON FOR RESOLVING THE MAJOR ISSUES ON SO2 AND SO3. HE STATED THAT THE FOCUS OF THE WEEK WOULD BE ISSUES SURROUNDING SO1 (ED/DG) AS WELL AS MISSION STAFFING.

SO1: REDUCED POVERTY (EG/DG)

4. THIS STRATEGIC OBJECTIVE (SO) GENERATED MOST OF THE DISCUSSION DURING PROGRAM WEEK. MOST PARTICIPANTS SHARED THE VIEW THAT THIS OBJECTIVE HAD AN AIM THAT EXCEED ITS REACH; THIS ENGENDERED GENERAL AND PROLONGED DISCUSSIONS ON ALTERNATIVE APPROACHES AND LINKAGES BETWEEN THE PROPOSED THREE SOS. IT WAS ACKNOWLEDGED THAT THE MISSION'S INFLUENCE FAR OUT-WEIGHED ITS LIMITED EG AND DG RESOURCES. OTHER DONORS, NOTABLY THE WORLD BANK, HAVE UNDERLINED THE IMPORTANCE OF USAID KEEPING ITS SEAT AT THE STRUCTURAL ADJUSTMENT TABLE THAT THIS SO ENABLES. CONCERN WAS EXPRESSED OVER THE POTENTIAL IMPACT OF THE USG WITHDRAWING FROM DONOR-MALAGASY DISCUSSIONS ON ECONOMIC POLICY, THE RULE OF LAW, AND GOVERNANCE.

5. THERE WAS AGREEMENT THAT THE SCOPE OF THE SO SHOULD BE NARROWED FROM QUOTE REDUCE POVERTY UNQUOTE. THE MISSION PROPOSED THE FOLLOWING WORDING FOR THE SO, QUOTE IMPROVED ENVIRONMENT FOR PRIVATE INITIATIVE UNQUOTE., NOTING THAT THE FINAL WORDING WOULD BE BASED ON DIALOGUE WITH THE

EXTENDED SO TEAM. SECOND, THE DESCRIPTION AND PERFORMANCE MONITORING PLAN OF THE SO IN THE FINAL VERSION OF THE CSP SHOULD BE REVISED TO REFLECT AN ANNUAL BUDGET PLANNING LEVEL OF USD 2.5 MILLION (1998-2001). NOTE THAT THE FINAL LEVEL WILL DEPEND ON THE SUBSTANCE OF THE SPECIAL OBJECTIVE (SEE PARA 8) AND THE CONFIGURATION OF THE OTHER SO2/SO3 FRAMEWORK.

6. THERE WAS DISAGREEMENT BETWEEN THE AFRICA BUREAU AND THE BUREAUS FOR MANAGEMENT (M) AND PPC ON THIS SO. AFR WAS SATISFIED WITH PROGRAM LINKAGES. IMPRESSED BY THE RESULTS THE MISSION HAD ACHIEVED WITH LIMITED RESOURCES, AND WAS PREPARED TO APPROVE THIS SO ON A PROVISIONAL BASIS.

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7. M AND PPC WERE NOT CONVINCED A) THAT SO1 IS INTEGRATED WITH THE OTHER TWO SOS AND B) THAT SO1 IS NECESSARY FOR SUCCESS UNDER THE OTHER TWO SOS. THESE BUREAUS RECOMMENDED THAT EG AND DG ACTIVITIES CURRENTLY IN SO1 WHICH ARE NECESSARY TO ACHIEVING THE ENVIRONMENT AND POPULATION OBJECTIVES BE INTEGRATED WITH THESE OBJECTIVES. IN THIS WAY, THE MADAGASCAR PROGRAM CAN RESPOND TO AGENCY GUIDANCE WHICH GENERALLY LIMITS THIS TYPE OF PROGRAM TO SUPPORTING 1-2 AGENCY GOALS. THEY RECOMMENDED THAT THE MISSION'S CONTRIBUTION TO MADAGASCAR'S STRUCTURAL ADJUSTMENT PROGRAM BE MADE THROUGH A TIME-BOUND (LINKED TO THE DURATION OF THE PFP) SPECIAL OBJECTIVE (SPO) WITHOUT THE FULL RANGE OF ELEMENTS INCLUDED IN THE MISSION'S PROPOSED SO.

8. ON APRIL 4, THE USAID ADMINISTRATOR APPROVED THE FOLLOWING OPTION: THE USAID/MADAGASCAR PROGRAM IS APPROVED WITH THE MISSION'S PROPOSED STRATEGIC OBJECTIVES IN POPULATION/HEALTH AND THE ENVIRONMENT, WITH A RECOMMENDATION TO SUPPORT MADAGASCAR'S STRUCTURAL ADJUSTMENT PROGRAM THROUGH A SPECIAL OBJECTIVE.

9. USAID/MADAGASCAR IS HEREBY REQUESTED TO ENGAGE IN A COLLABORATIVE PROCESS FOR RETOOLING SO1 IN WAYS THAT SUPPORT SOS 2 AND 3, AND ADD THE SPO. ONE POSSIBLE WAY OF DOING THIS WOULD BE TO ESTABLISH A VIRTUAL TEAM WITH G, AFR, M AND PPC PARTICIPATION. IN THIS REGARD, THE MISSION MAY WISH TO EXPLORE FURTHER THE POSSIBILITY OF WORKING IN BUSINESS LAW REFORM TO IMPROVE THE LEGAL, REGULATORY AND JUDICIAL FRAMEWORK FOR PRIVATE SECTOR ACTIVITY AND TO PROMOTE MADAGASCAR'S PARTICIPATION IN GLOBAL/REGIONAL TRADE INITIATIVES. TDY ASSISTANCE TO MADAGASCAR BY G, AFR, M AND PPC COULD BE AN IMPORTANT WAY TO RESOLVE OUTSTANDING ISSUES AND SPEED UP THE REVISION PROCESS.

SO2 SMALLER HEALTHIER FAMILIES

10. THIS SO WAS APPROVED AS SUBMITTED. IN ADDITION, THE BUREAU SUPPORTS MADAGASCAR'S PLANNED REQUEST FOR A TITLE II MONETIZATION PROGRAM. THE ISSUES RESOLVED AT THE TECHNICAL LEVEL DURING SIDE MEETING PRIOR TO PROGRAM WEEK DEALT WITH INDICATORS AND TARGETS FOR MONITORING RESULTS UNDER SO2. THE MISSION AGREED TO DEVELOP A NUTRITIONAL STATUS INDICATOR FOR THE SO LEVEL; TO USE PROXIES AND OTHER DONOR SURVEYS FOR NON-DHS YEARS; AND THAT OUTYEAR TARGETS WOULD BE REVISED BASED ON THE 1997 DHS.

11. THE MISSION AGREED TO ADDRESS THE ISSUE OF FOOD SECURITY IN COLLABORATION WITH THE NGO COMMUNITY AS PART

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OF THE TITLE II PROGRAM. BHR AGREED TO ASSIST. A PROPOSED OPTION IS TO CONSIDER FOOD SECURITY AS A CROSS-CUTTING THEME WITH INDICATORS AT THE GOAL LEVEL. THIS WAS SEEN AS APPROPRIATE AS WORLD BANK INDICATORS OF POVERTY INCLUDE FOOD SECURITY INDICATORS. THERE WAS AGREEMENT THAT FOOD SECURITY WOULD NOT BE CONSIDERED AS AN ADDITIONAL SO. THE ANALYTICAL WORK ON INTEGRATION OF FOOD SECURITY WILL BE DONE IN CONJUNCTION WITH THE DESIGN OF THE TITLE II MONETIZATION PROGRAM.

SO3 UNIQUE BIOLOGICAL DIVERSITY CONSERVED

12. SO3 WAS APPROVED. THIS SO HAD NO UNRESOLVED ISSUES AT THE TIME OF PROGRAM WEEK. AFTER DISCUSSIONS AT THE ISSUES MEETING THE MISSION AGREED TO CHANGE THE WORDING OF THE STRATEGIC OBJECTIVE TO QUOTE BIOLOGICALLY-DIVERSE ECOSYSTEMS CONSERVED IN PRIORITY CONSERVATION ZONES UNQUOTE. THIS CHANGE PRODUCED A CLOSER LINKAGE BETWEEN THE OBJECTIVE AND THE SO3 INDICATORS. MISSION STAFF AND USAID/W PERSONNEL REPORTED PROGRESS IN REFINING THE SET OF SO INDICATORS. THE MISSION WILL DEVELOP INDICATORS WHICH MEET THE FOLLOWING REQUIREMENTS: 1) A KUNCLAS AIDAC SECSTATE 135276EYSTONE SPECIES OR BIOMASS INDICATOR WHICH REFLECTS THE CONSERVATION OF BIOLOGICAL DIVERSITY IN AN ECOSYSTEM OR A HABITAT, 2) A SUSTAINABLE AGRICULTURE PRODUCTION INDICATOR, AND 3) A COMMUNITY PARTICIPATION INDICATOR.

MANAGEMENT ISSUES

13. THE MISSION STATED THAT IT COULD CARRY OUT ITS PROGRAM OF THREE SOS WITH THE FY98 STAFFING CONTROL LEVELS GIVEN TO THE MISSION. THE MISSION QUALIFIED THIS STATEMENT WITH THE PROVISIO THAT IT COULD CARRY OUT THE PROGRAM PROVIDED THE REDUCTIONS RELATED TO ICASS TRANSFERS COULD BE COUNTED TOWARD THE 1996 - 1998 STAFF REDUCTION. IF INSTEAD ICASS TRANSFERS ARE SUBTRACTED FROM THE 1998 CONTROL FIGURES, THE MISSION WOULD NOT HAVE ADEQUATE STAFF TO CARRY OUT EVEN ONE SO. THE BUREAU ACCEPTED THE STAFF CONTROL FIGURES AS REASONABLE PLANNING FIGURES FOR A LIMITED MISSION, BUT NOTED AGAIN THAT LIMITED MISSIONS ARE THE FIRST TO SUFFER WHEN DEMANDS EXCEED BUREAU RESOURCES. WORKFORCE CEILINGS/TARGETS FOR MADAGASCAR ARE AS FOLLOWS :

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	UNCLAS	AIDAC	SECSTATE	135276
		FY 1996	FY 1997	FY 1998
FY 1999				
CATEGORY	CEILING	CEILING	CEILING	TARGETS
USDH	8	8	8	8
INT'L HIRED OE	2	2	2	1
LOCALLY HIRED OE	66	58	45	38
TOTAL OE	76	68	55	47
PROGRAM	22	19	17	23
TOTAL	98	87	72	70

THE MISSION ALSO REQUESTED AUTHORITY FOR 23 PROGRAM FUNDED POSITIONS IN FY98 AND INDICATED ITS WILLINGNESS TO REDUCE ITS LOCALLY HIRED OE LEVEL BY 5 TO 38 IN RETURN. THE MISSION POINTED OUT THAT WOULD SAVE THE BUREAU SCARCE OE WHILE MAINTAINING CRITICAL PROGRAM FUNDED TECHNICAL STAFF. THE BUREAU NOTED THIS REQUEST AND INDICATED A DECISION WOULD MADE DURING THE R4 REVIEW.

14. THE MISSION SHOULD ANTICIPATE A BUDGET LEVEL OF USD 16.5 MILLION, WITH THE FOLLOWING AMOUNT FROM EARMARKED SOURCES: USD 7 MILLION - VARIOUS HPN EARMARKS, USD 7 MILLION - ENV. SUBJECT TO THE AVAILABILITY OF FUNDS THE MISSION WILL CONTINUE TO RECEIVE D/G AND EG FUNDS.

CONCLUSION

15. THE USAID/MADAGASCAR PROGRAM IS APPROVED WITH SO2 AND SO3, AND WITH A RECOMMENDATION TO SUPPORT MADAGASCAR'S STRUCTURAL ADJUSTMENT PROGRAM THROUGH A SPECIAL TIME-BOUND OBJECTIVE. THE MISSION WILL REVISE THE CSP AND PROVIDE AFR/DP AND AFR/EA WITH THE REVISED VERSION. THE MISSION MUST TAKE ACCOUNT OF THE FOLLOWING GUIDANCE IN PREPARING

THE REVISED CSP: FIRST; SPO1 AND SO3 ARE TO BE MODIFIED IN ACCORDANCE WITH THE DISCUSSIONS OF PROGRAM WEEK AND CONSIDERATION SHOULD BE GIVEN TO MODIFYING THE WORDING OF THE GOAL STATEMENT. SECOND, THE MISSION WILL REFINE SPO1 TO REFLECT THE ANTICIPATED ANNUAL BUDGET LEVEL OF USD 2.5 MILLION. THE MISSION'S APPROACH CAN BE QUOTE MODULAR UNQUOTE BY INDICATING ACTIVITIES THAT WILL BE ADDED OR EXPANDED IF BUDGET ALLOCATIONS EXCEED USD 2.5 MILLION. THE RESULTS MONITORING PLAN FOR SPO1 WILL BE REFINED TO REFLECT THE ANTICIPATED LEVEL OF RESOURCES.

16. THE MISSION WILL COMPLETE THE FOLLOWING ACTIONS THIS CALENDAR YEAR: SO2 AND SO3 INDICATORS WILL BE EXPANDED AS DESCRIBED ABOVE. THE MISSION WILL DEVELOP A MEDIUM FOR INFORMING THE BUREAU OF THE WAYS IN WHICH THE SPO/SOS SUPPORT AND RELY ON EACH OTHER; FOR EXAMPLE, WITH THE USE OF ADDITIONAL INDICATORS, OR THE R4 REPORT NARRATIVE, OR A STAND-ALONE REPORT MODELED ON THE NPI REPORT. THROUGHOUT IMPLEMENTATION OF THE CSP, THE MISSION MUST KEEP IN MIND THAT THE OVERALL RESOURCE CLIMATE FOR THE AGENCY AND THE

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BUREAU SUGGEST THE POSSIBILITY OF FURTHER PROGRAM AND OE
REDUCTIONS. THIS MEANS THAT THE MISSION NEEDS TO HAVE
CLEAR PROGRAM PRIORITIES. IN THE FUTURE, THE MISSION
SHOULD BE PREPARED TO INDICATE WHICH ELEMENTS OF THE PROGRAM
WOULD HAVE HIGHEST PRIORITY, AND WHICH WOULD BE DROPPED OR
RECONFIGURED. WHILE IT IS DIFFICULT TO MAKE LONG-TERM
COMMITMENTS IN THIS UNCERTAIN ENVIRONMENT, THE BUREAU WILL DO
ITS BEST TO HONOR THE DECISIONS ELABORATED ABOVE, WHILE
KNOWING THAT PERIODIC ADJUSTMENTS MAY BE NECESSARY.
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E.O. 12958: N/A
TAGS:

SUBJECT: FY 1999 RESOURCE REQUEST (R4) - MADAGASCAR

1. A MEETING WAS HELD ON MAY 13 TO DISCUSS USAID/MADAGASCAR'S FY 1999 RESULTS REPORT AND RESOURCE REQUEST R4) DOCUMENT. THE PURPOSE OF THE MEETING WAS: (A) TO DOCUMENT RESULTS ACHIEVED THROUGH USG EFFORTS AND RESOURCES FOR USE IN REPORTING TO CONGRESS AND OTHER AUDIENCES, BOTH INTERNAL AND EXTERNAL; (B) TO DISCUSS THE INFORMATION PROVIDED IN THE R4 DOCUMENT SUBMITTED, AND THE EXTENT TO WHICH INTERMEDIATE RESULTS (IR) AND STRATEGIC OBJECTIVE (SO) TARGETS ARE BEING ACHIEVED; (C) TO PROVIDE COMMENTS, SUGGESTIONS AND RECOMMENDATIONS ON THE R4 DOCUMENT, CHANGES IN THE MANAGEMENT CONTACT, AND APPROPRIATENESS/CHOICE OF INDICATORS, AS NECESSARY.
2. AFR/EA CHAIRED THE MEETING, WHICH WAS ATTENDED BY REPRESENTATIVES FROM AFR/DP, AFR/SD, AFR/AMS, AFR/AA, PPC, M/B, BHR/FFP, AND VARIOUS OFFICES WITH THE CENTERS FOR HEALTH/POPULATION/NUTRITION (G/HPN), DEMOCRACY/GOVERNANCE (G/DG) AND PROGRAM DEVELOPMENT AND STRATEGIC PLANNING (G/PDSP).
3. THE MEETING BEGAN WITH AFR/EA PROVIDING A SHORT OVERVIEW OF THE USAID/MADAGASCAR PROGRAM AND RECENT ECONOMIC AND POLITICAL EVENTS WHICH HAVE IMPACTED THE PROGRAM. THIS INCLUDED NEW PROGRAMS WITH BOTH THE WORLD BANK AND THE INTERNATIONAL MONETARY FUND (THE LACK OF WHICH PREVIOUSLY PLACED MADAGASCAR ON THE AFRICA BUREAU'S WATCH LIST), AND THE IMPEACHMENT OF THE PRESIDENT BY THE NATIONAL ASSEMBLY, ELECTIONS, AND THE PEACEFUL TRANSFER OF POWER TO A NEW PRESIDENT. IT WAS ALSO NOTED THAT THE MISSION'S COUNTRY STRATEGIC PLAN: FY 1998 - 2002 WAS RECENTLY APPROVED WITH STRATEGIC OBJECTIVES IN FAMILY

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HEALTH AND THE ENVIRONMENT, WITH A RECOMMENDATION TO SUPPORT MADAGASCAR'S STRUCTURAL ADJUSTMENT PROGRAM THROUGH A TIME-BOUND SPECIAL OBJECTIVE.

4. DISCUSSION THEN BEGAN WITH A REVIEW OF EACH OF MADAGASCAR'S STRATEGIC OBJECTIVES (SO): SO1--FOSTER AN ENVIRONMENT IN WHICH PRIVATE ACTION CAN FLOURISH; SO2--SMALLER, HEALTHIER FAMILIES; SO3--REDUCE NATURAL RESOURCE DEPLETION. AFR/SD SECTOR REVIEW WORKING GROUP LEADERS FOR THE R4 EXERCISE WERE: DEMOCRACY/GOVERNANCE--DON MUNCY; ECONOMIC GROWTH--DAVID ATWOOD; ENVIRONMENT--MIKE MCGAHUEY; CHILD SURVIVAL--MARY HARVEY; AND POPULATION--PHYLLIS GESTRIN. REVIEW TEAMS GRADED EACH SO ON A 1-10 BASIS, WITH A 10 BEING THE HIGHEST POSSIBLE SCORE, AND A 6 BEING AVERAGE. THE AFR/SD SECTOR REVIEW WORKING GROUP LEADERS EACH EXPLAINED THE GRADING PROCESS, HOW THEY ARRIVED AT THEIR SCORES, WHAT THEY LIKED ABOUT THE PROGRAM OR ANY PROBLEMS THAT THEY MAY HAVE ENCOUNTERED. IN RESPONSE TO QUESTIONS RAISED IN THE REVISED MADAGASCAR PROGRAM DAY ISSUES PAPER, AFR/EA HANDED OUT E-MAILS PREPARED BY THE MISSION WHICH RESPONDED DIRECTLY TO THE ISSUES. THE E-MAILS WERE INFORMATIVE, WELL-WRITTEN, AND APPRECIATED BY ALL PARTICIPANTS. SCORES FOR USAID/MADAGASCAR WERE PARTICULARLY HIGH AND IT WAS EMPHASIZED THAT MADAGASCAR'S PROGRAMS IN THE HPN AND ENV SECTORS WERE QUOTE MODELS UNQUOTE FOR THE BUREAU. THE MEETING WAS POSITIVE WITH PARTICIPANTS EXTREMELY COMPLEMENTARY OF THE USAID/MADAGASCAR PROGRAM.

5. SO1: FOSTER AN ENVIRONMENT IN WHICH PRIVATE ACTION CAN FLOURISH. FUNDING CATEGORY: D/G; TOTAL SCORE (MAX OF 100): 67.5; QUARTILE: 2ND; ASSESSMENT OF TARGETS ACHIEVED SCORE (25%): 7; MANAGING FOR RESULTS SCORE (25%): 8; AND TECHNICAL ASSESSMENT SCORE (50%): 6. THIS SO IS A BLEND OF BOTH ECONOMIC GROWTH (EG) AND DEMOCRACY/GOVERNANCE (D/G) ACTIVITIES. THE MISSION HAD REQUESTED THAT SO1 BE REVIEWED AND SCORED BY THE EG TEAM SINCE THE RESULTS REPORTED IN THE R4 ARE ALL EG-YPE RESULTS. AFR/DP DETERMINED, HOWEVER, THAT SINCE D/G FUNDING IS BEING REQUESTED, THAT THE SO (D/G) WOULD BE REVIEWED AND SCORED BY THE D/G TEAM. THE MISSION BELIEVED THAT THEY WERE PENALIZED BY THIS DETERMINATION. THE D/G WORKING GROUP LEADER AGREED THAT COLLABORATION BETWEEN THE D/G AND EG WORKING GROUPS WAS LACKING. IT WAS NOTED THAT THE D/G GROUP LEADER WOULD DISCUSS THIS MATTER FURTHER WITH THE EG GROUP LEADER. THAT SAID, THE D/G GROUP LEADER STATED THAT THE SCORE GIVEN TO MADAGASCAR FOR ASSESSMENT OF TARGETS ACHIEVED, A 7, ALTHOUGH IT MAY HAVE APPEARED LOW TO USAID/MADAGASCAR, WAS IN ACTUALITY AN ABOVE AVERAGE SCORE. THE HIGHEST SCORE GIVEN BY THE D/G GROUP IN THEIR REVIEWS FOR THAT TARGET WAS AN 8.

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6. THE M BUREAU REPRESENTATIVE COMMENDED THAT M DID NOT LIKE THE FACT THAT D/G MONIES WERE BEING USED FOR EG PURPOSES. THIS LED TO A SHORT DISCUSSION ON THE SYNERGIES BETWEEN D/G AND EG UNDER THIS SO. DAA/AFR GARY BOMBARDIER NOTED THAT THIS WAS NOT A MAJOR ISSUE AND THAT THE

MISSION, IN FACT, SHOULD BE COMMENDED THAT THEY WERE ABLE TO ACCOMPLISH SO MUCH UNDER SUCH DIFFICULT CIRCUMSTANCES. DAA/AFR THEN WENT INTO DETAIL TO DESCRIBE THE PROCESS INVOLVED WITH THE IMPEACHMENT OF THE PRESIDENT, THE ELECTIONS, AND FINALLY THE PEACEFUL TRANSFER OF POWER TO A NEW PRESIDENT IN PERHAPS THE CLOSEST ELECTION IN MODERN AFRICAN HISTORY. ALL THESE POLITICAL MACHINATIONS LED TO A MAJOR HIATUS IN GOVERNMENT OPERATIONS AND REAL UNCERTAINTY ABOUT THE FUTURE. YET DESPITE THESE DIFFICULT CONDITIONS, THE MISSION WAS ABLE TO MAINTAIN EXCELLENT PROGRESS. USAID/MADAGASCAR DESERVED FULL CREDIT FOR THIS MAJOR ACCOMPLISHMENT.

7. SO2: SMALLER, HEALTHIER FAMILIES. FUNDING CATEGORY: CHILD SURVIVAL; TOTAL SCORE (MAX OF 10): 8.75; QUARTILE: 1ST; ASSESSMENT OF TARGETS ACHIEVED (25%) SCORE: 8; MANAGING FOR RESULTS SCORE (25%): 9; TECHNICAL ASSESSMENT SCORE (50%): 9. IT WAS NOTED THAT THE SYNERGY BETWEEN FAMILY PLANNING PROGRAMS AND CHILD SURVIVAL, AND BETWEEN POLICY CHANGES AT NATIONAL LEVEL AND PROGRAMS AT DISTRICT LEVEL, AND PARTNERSHIPS WITH WHO/UNICEF/COUNTRY/NGOS, IS VERY STRONG. IN ADDITION, MADAGASCAR WAS THE FIRST

COUNTRY IN AFRICA TO FULLY INTEGRATE A STRATEGY FOR NUTRITION BY LINKING MICRONUTRIENTS, COMMUNITY-BASED AND CLINIC-BASED ACTIVITIES AND BREASTFEEDING, ALONG WITH PL-480 FOOD ASSISTANCE.

8. SO2: SMALLER, HEALTHIER FAMILIES. FUNDING CATEGORY: POPULATION; TOTAL SCORE (MAX OF 10): 8.25; QUARTILE: 2ND; ASSESSMENT OF TARGETS ACHIEVED SCORE (25%): 7; MANAGING FOR RESULTS SCORE (25%): 9; TECHNICAL ASSESSMENT SCORE (50%): 8.5. TARGETS FOR CYP SEEM TO BE OVERLY AMBITIOUS AND MAY HAVE TO BE REVISED AS A RESULT. IT WAS ALSO NOTED THAT USAID/MADAGASCAR HAS AN EXCELLENT INFORMATION AND TRACKING SYSTEM IN PLACE AND THE MISSION TAILORS SO ACTIVITIES IN RESPONSE TO DATA GAINED FROM THIS SYSTEM, AND INVESTIGATES ANOMALIES AS WELL.

9. A NUMBER OF QUESTIONS RAISED BY SECTOR TEAMS WERE ADDRESSED BY THE MISSION'S EXCELLENT E-MAIL. BOTH G/HPN AND AFR/SD AGREED THAT USAID/MADAGASCAR SHOULD BE VIEWED BY THE AFRICA BUREAU AS A MODEL FOR AN INTEGRATED (POPULATION, CHILD SURVIVAL, NUTRITION) AND WELL-PERFORMING PROGRAM.

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10. SO3: REDUCE NATURAL RESOURCE DEPLETION. FUNDING CATEGORY: ENV; TOTAL SCORE (MAX OF 10): 7.5; QUARTILE: TOP; ASSESSMENT OF TARGETS ACHIEVED SCORE (25%): 58; MANAGING FOR RESULTS SCORE (25%): 8.17; TECHNICAL ASSESSMENT SCORE (50%): 8.25. THIS IS A BLEND OF BOTH ENVIRONMENT AND AGRICULTURAL DEVELOPMENT ACTIVITIES. TARGETS, UNDER SO3, WERE SLIGHTLY BELOW AVERAGE BECAUSE MORE TARGETS WERE BELOW EXPECTATIONS THAN ABOVE. HOWEVER, THE COMMITTEE GAVE CREDIT TO THE SO TEAM FOR REPORTING ON A BROAD ARRAY OF INDICATORS. THE MADAGASCAR R4 PROVIDED AN EXCELLENT EXAMPLE OF WHY A WELL-WRITTEN AND INFORMATIVE NARRATIVE IS CRITICAL TO PROVIDING AN ACCURATE ASSESSMENT OF PROGRESS, AND WHY IT IS IMPORTANT TO BASE THE ASSESSMENT ON MORE THAN JUST WHETHER TARGETS WERE ACHIEVED. IN THIS REGARD, THE WRITE UP FOR THE REASONS FOR NOT ACHIEVING THE SO TARGET "AREA UNDER NATIONAL PARKS" WAS EXCELLENT AND INFORMATIVE. THE MISSION RECEIVED A RELATIVELY HIGH SCORE UNDER MANAGING FOR RESULTS BECAUSE: (A) A SIGNIFICANT AMOUNT OF LEARNING WAS APPLIED TO PROGRAMMING DECISIONS AND (B) PROGRESS ON DEVELOPING AN INFORMATION MANAGEMENT SYSTEM WAS ACHIEVED. UNDER TECHNICAL ASSESSMENT, IT WAS NOTED THAT THE SO TEAM USED A TRUE PARTICIPATORY APPROACH IN DEVELOPING POLICIES AND STRATEGIES WHICH STRENGTHENED MALAGASY OWNERSHIP AND COMMITMENT. IT WAS NOTED THAT THE USAID/MADAGASCAR ENVIRONMENTAL PROGRAM SHOULD ALSO BE VIEWED AS A MODEL FOR THE AFRICA BUREAU.

11. AFR/DP INVITED AFR/SD SECTOR TEAM LEADERS TO ATTEND SENEGAL'S PROGRAM DAY TO SEE IF MADAGASCAR'S TWO MODELS: (1) POPULATION/CHILD SURVIVAL/NUTRITION AND (2) ENVIRONMENT/AGRICULTURE, COULD BE APPROPRIATELY APPLIED IN SENEGAL.

12. DISCUSSION THEN CENTERED UPON MISSION RESOURCES, PARTICULARLY STAFFING AND FUNDING. AT THIS POINT, THE MISSION'S E-MAIL RESPONDING TO RESOURCE RELATED ISSUES WAS HANDED OUT. DISCUSSION QUICKLY CENTERED UPON THE MISSION'S PIPELINE. BOTH AFR/DP AND THE M BUREAU WERE CONCERNED WITH THE PIPELINE ISSUE, PARTICULARLY AS IT PERTAINS TO ENVIRONMENTAL FUNDS. WHILE IT WAS NOTED THAT MADAGASCAR HAS ALWAYS BEEN RECEPTIVE TO RECEIVING ENVIRONMENTAL FUNDS, LAST YEAR ALLOWANCES WENT OUT LATE. USAID/WASHINGTON EMPHASIZED THAT THE MISSION'S PIPELINE APPEARS TO BE EXCESSIVE.

13. THE BUREAU REQUESTS THAT THE MISSION REVIEW ITS OBLIGATION/PROJECTED EXPENDITURE PATTERN AND FORMALLY

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REPORT ON THE FOLLOWING CONCERNS ASAP: (1) POSSIBLE BENCHMARKS TO SHOW CONCLUSIVELY THAT THE MISSION'S PIPELINE IS INDEED FALLING TO MORE "NORMAL" LEVELS. THIS IS PARTICULARLY TRUE FOR ENVIRONMENTAL FUNDING, AND (2) THE NEED FOR ENVIRONMENTAL FUNDS IN FY 1997 AND BEYOND.

14. DISCUSSION THEN PROCEEDED TO THE MISSION'S REQUEST TO SWAP 6 LOCAL OE-FUNDED POSITIONS FOR 6 PROGRAM-FUNDED SLOTS. AFR/AMS NOTED THAT IT WAS DIFFICULT TO COMPLY WITH THIS REQUEST BECAUSE IT WOULD PUT THE BUREAU DIRECTLY ON THE FSN PROGRAM-FUNDED CEILING. THE BUREAU WOULD THEN HAVE DIFFICULTY RESPONDING TO OTHER MISSIONS OR POSSIBLE EMERGENCY SITUATIONS. USAID/MADAGASCAR ALSO PROPOSED TO CONVERT ONE OF THE TWO INTERNATIONAL OE SLOTS TO A LOCAL OE FUNDED POSITION, BRINGING THE LOCAL OE FUNDED POSITIONS TO 38 AND REDUCING THE INTERNATIONAL OE FUNDED POSITION TO 1. THE BUREAU WILL MAKE EVERY EFFORT TO RESOLVE THIS ISSUE DURING THE R4 WRAP-UP SESSIONS.

15. AS A RESULT OF USAID/MADAGASCAR'S COUNTRY STRATEGIC PLAN DISCUSSION IN MARCH AND THE R4 REVIEW IN MAY, THE FOLLOWING CHANGES IN THE MANAGEMENT CONTRACT WITH USAID/MADAGASCAR ARE NOW IN EFFECT:

A. THE USAID/MADAGASCAR PROGRAM WAS APPROVED WITH THE MISSION'S PROPOSED STRATEGIC OBJECTIVES IN FAMILY HEALTH AND THE ENVIRONMENT, WITH A RECOMMENDATION TO SUPPORT MADAGASCAR'S STRUCTURAL ADJUSTMENT PROGRAM THROUGH A TIME-BOUND SPECIAL OBJECTIVE.

B. WHILE ANNUAL DEVELOPMENT ASSISTANCE FUNDING OF USD 16.5 MILLION WAS ORIGINALLY APPROVED DURING PROGRAM WEEK'S REVIEW OF THE MISSION'S FY 1998 - 2002 STRATEGY, THE USD 16.5 MILLION LEVEL MAY NOT BE APPROPRIATE FOR THE STRATEGY REVISION THAT THE MISSION NOW NEEDS TO UNDERTAKE. THIS REVISION IS BASED ON THE MARCH 28 ACTION MEMORANDUM TO THE ADMINISTRATOR, AND THE ADMINISTRATOR'S APRIL 4 DECISION ON THE SCOPE OF THE MADAGASCAR PROGRAM. FINAL FUNDING LEVELS WILL BE DETERMINED ONCE THE REVISION IS APPROVED.

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FY 2000

RESOURCE REQUEST

February 1998

USAID/Madagascar
Antananarivo, Madagascar

U.S. Agency for International Development
Washington, D.C. 20523
U.S.A

USAID Madagascar Results Framework Reference Page

Goal: Reduced Poverty

SO1: Foster an Environment in which Private Action Can Flourish (ended FY 1997)

SPO: Improved Environment for Private Initiative (proposed FY 1998)

IR1.1: Improved legal, financial, and policy conditions for trade and investment

IR2.1: More informed and responsive public participation in economic and legal issues.

SO2: Smaller, Healthier Families

IR2.1: Family Level: Increased use of services and healthy behaviors;

IR2.2: Community Level: Increased community participation leading to improved health and food security;

IR2.3: Health Center Level: Increased access to quality health services;

IR2.4: Institutional Level: Increased capacity to plan and manage programs;

IR2.5: Policy Level: Improved policies, program advocacy, and decision-making.

SO3: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones

IR3.1: Improved management of critical biodiversity habitats;

IR3.2: Sustainable use of natural resources in broader landscapes;

IR3.3: Domestic financial mechanisms mobilized;

IR3.4: Supportive environmental policies and procedures.

**USAID Madagascar
FY 2000 Resource Request**

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IV. RESOURCE REQUEST

A. Program Funding Request by Objective

1. Financial Plan

USAID/Madagascar's proposed budget, operating expenses and non-emergency Title II request for FY 1998 through FY 2000 responds to the Administration's and Congressional priorities and is consistent with guidance received to date. The program budgets for FY98 and FY99 presented in this R4 reflect the latest NOA control levels provided to us by Washington. **It should be noted that these control levels, and thus the figures in this R4 program budget for FY98 and FY99 are, in some respects, lower than those provided in the CSP review cable that forms our management contract.**⁶ Specifically:

SO3 Resource Gap: The NOA control levels for Environmental funds of \$7.0 and \$7.9 million for FY98 and FY99, respectively, and the planning level of \$7.0 million per year in such funds over the rest of the life our strategy, are considerably lower than the amount that, in our approved CSP, we estimated would be necessary to achieve our SO3 objectives. That document called for obligations of \$8.5 million per year for SO3 at our base program⁷, a straight-line of our planned FY98 program level.⁸ If we are unable to obligate at least this minimum annual level of funding, this would seriously harm our ability to achieve two of this SO's Intermediate Results: IR3.3, *Domestic Financial Mechanisms Mobilized*, to which we plan to devote some \$3.0 million; and IR3.4, *Supportive Environmental Policies and Procedures*, for which we plan to devote \$5.4 million. The current \$6.6 million shortfall between the management contract, or "base" level for SO3 and the "plus-up" we need to carry out our strategy will, if not corrected, effectively eliminate IR3.3 and the biological monitoring aspect of IR3.4, and will also reduce the level of effort for environmental assessments under IR3.4. Under IR3.3, institutional support to the Tany Meva Foundation, efforts to investigate the feasibility of and then implement tourist fees, green taxes, and financial transparency and accountability would be effectively stopped. Under IR3.4, institutional support to ONE (the National Environment Office) to improve environmental policy implementation and environmental assessments would be greatly curtailed, as would funds available for ecological monitoring of the USAID-assisted biodiversity program under SO3's RP3.1. Ninety percent of indicators under these two IRs would no longer be valid. The consequences of eliminating IR3.3 and a large portion of IR3.4 would result in the following:

⁶ State 135276 of July 18, 1997, provided in Appendix A.

⁷ See Table 8.2 on page 98 of our February 1997 Country Strategic Plan.

⁸ Although in FY98 and prior years funding for SO3 was split between Economic Growth (EG) and Environmental (ENV) funds, from FY99 onward we are requesting only ENV funds for this SO.

- ▶ Financial Sustainability: Long-term financial sustainability across a number of key Malagasy environmental institutions would not be specifically addressed unless another donor could be convinced to increase its participation in this area. Within EP2, USAID was to be the lead donor in this area. Key NEAP environmental organizations would not receive the technical assistance they need to deepen their capacity to manage funds effectively and transparently, which is essential to their capacity to attract external financing. Their ability to pursue progressive revenue capturing measures, such as green taxes, would also be hampered.
- ▶ Environmental Assessment Procedures: Institutional capacity to promote and implement environmental assessment procedures for investment projects would be greatly curtailed. This would result in poor quality decision making by the GOM counterparts on key projects affecting the environment.
- ▶ Ecological Monitoring: Ecological monitoring for biodiversity under the EP2 program would be greatly curtailed as many other donors and GOM under EP2 were looking to USAID to take the lead in this area due to our comparative advantage and U.S. leadership in the scientific community.

SPO Resource Gap: The management contract instructs USAID to prepare a Special Objective (SPO) "to reflect an annual budget planning level of \$2.5 million (1998-2001)." As described in the CSP Amendment being submitted concurrently with this R4, we have done so. Yet the NOA control levels for the new SPO are only \$2.0 million for FY98 and \$2.2 million for FY99. If maintained, these limits would force our already tightly-constrained SPO to drop its support for several new initiatives. To illustrate:

If EG/DG funding falls \$500,000 below the baseline of \$2.5 million:

- ▶ SPO would have to drop its support for new initiatives aimed at improving the investment and trade regime. Using existing resources, and possibly in collaboration with the World Bank, we plan to fund an Investor Road Map in 1998. This proposed activity has been endorsed by the GOM and the World Bank as a valuable means of identifying changeable impediments to increased efficiency of trade and investment. It is expected that the process will produce some significant policy and/or administrative reforms as well as tangible recommendations for other reforms. The expected result is a reduction in the time needed to make productive investments. This result may not be achieved, however, if resources are not available to support implementation of the recommended reforms.
- ▶ To better integrate Madagascar into the regional and global trade arena, USAID also intends to conduct an assessment of the country's WTO trade agreement obligations and compliance therewith with a view towards prioritizing those gaps which should be immediately addressed. The expected result is an increase in the number of WTO obligations and membership requirements that Madagascar fully meets. This would

strongly complement USAID's support for commercial law and judicial reform and will help ensure that Madagascar's policies and laws conform to globally accepted norms. These results could not be assured, however, with a \$500,000 cut in funding.⁹

If EG/DG funding falls by an additional \$500,000:

- ▶ We would have to drop our support for *improved economic policy analysis*. Eliminating this support would mean there would be no U.S.-Malagasy joint economic research activities following the completion of the ongoing Cornell/INSTAT and IFPRI/FOFIFA collaborative policy research programs. The GOM, the media, public interest groups, and the donor community would lose a valuable source of informed analysis of policy change and its impact on poverty and income distribution. In addition, due to the highly collaborative nature of the U.S.-Malagasy research programs, the GOM would lose access to an important means of strengthening its own analytical capacity, while USAID would lose access to analytical research inputs to inform its own results analysis and program management.

On the other side of ledger, *SPO could absorb funds in excess of the baseline \$2.5 million:*

- ▶ *We could use an increment of \$250,000 to increase support for improved public information and dialogue* under IR1.2. The Mission's ongoing support of this result has generated considerable interest and enthusiasm among civil society groups, the municipal and central government, and other donors for its innovative approach and emphasis on bridging the communication gap between the government, donors, and the public. The involved local governments and the national government have embraced the activity as a means of effectively advancing their decentralization goals. The national Government has expressed its hope that the benefits of the activity could be extended more broadly nationwide. The activity operates under a modest budget. While no follow-on activity has yet been designed, the baseline funding scenario allows resources of approximately the same magnitude as the existing activity. Additional resources would allow grants or sub-grants to local civil society organizations in order to further nationalize this effort. It would also allow for a mechanism to improve the extension of benefits nationwide. Training of journalists on economic and legal reporting and the coverage of civil society and public interest issues would be made possible through a larger program.

⁹ Moreover, within this overall funding requirement, we need to receive sufficient EG resources to carry out this effort on WTO compliance, for it falls into the EG realm.

- ▶ *A second increment of \$250,000 could be added to the microfinance activity.* This would allow limited commodities needed to improve the CEM's management information system nationwide, and additional technical support for the possible pilot in microcredit.

If additional resources are made available, USAID will modify its expected results accordingly.

SO2 Resource Gap: The management contract states that we should plan on a total of \$7.0 million per year from "various HPN earmarks" over the life of the CSP. This is the minimum needed to achieve the results specified in our approved CSP for this SO. Yet the total NOA control levels for HPN funds are only \$6.5 million for FY98 and \$6.4 million for FY99, and only \$4.97 million and \$5.94 million in Title II resources for FY98 and FY99, respectively. If not augmented, these shortfalls would harm our ability to achieve results at each IR level, but particularly the community level: More specifically:

- ▶ Starting in FY98, the main implementing mechanism for SO2 will be an integrated technical assistance contract. The competitively selected contractor is to be responsible for equipment purchase, rehabilitation and management of grants to local entities, and for technical assistance for population, child survival and AIDS prevention. A reduction in funding for the contract would eliminate results at each IR level, but the main impact would be felt at the community level, where the most intensive work will be needed to achieve behavior change (as the results reported in this R4 clearly indicate). As shown in the preliminary results of the 1997 DHS, improvements in health services, in institutional capacity, and in national policy can only indirectly change behavior and use of services at the family level. Behavior change and community empowerment require focused approaches and materials, and considerable work on a pilot basis. This would especially affect the important and innovative work being done in nutrition.¹⁰
- ▶ Reductions in child survival funding would also make it impossible to continue activities initiated under the Linkages central activity.
- ▶ Shortfalls in population funding would make it difficult or impossible to ensure adequate availability of contraceptives, especially condoms vital to the success of the social marketing and AIDS programs.

¹⁰ It should be noted that reducing the scope of SO2's work in the areas of improved quality of and access to health services in response to budget shortfalls is not an option for us. The Ministry of Health and other government partners are eager to continue improving quality and access, so even at the present reduced funding level efforts in these areas would be impossible to scale back without major problems in partnership and acceptance of the program.

- ▶ Any reduction in the already minimal amount of AIDS funds would make it impossible to support targeted behavior change activities in the port cities and other “hot spots” for AIDS transmission.

Title II Reductions

- ▶ SO2 is working closely with Catholic Relief Services (CRS) to achieve a transition from a center-based child weighing and food distribution process into a community-based health education and nutrition improvement program, with Title II foods targeted to malnourished children and pregnant or lactating women. While some of the support for this transition has been provided through a DA-funded grant to CRS, consistent levels of food aid are required if the program is to continue. Shortfalls would not allow CRS to expand the program to new communities, so the gains of targeting food resources to malnourished children would not be reflected in more malnourished children being reached.
- ▶ Under SO2, the Mission is also supporting three USPVO partners in an umbrella Title II monetization program. Their development activities each have somewhat different foci but all directly contribute to improvement of food security among target populations. Reductions in the level of food aid provided under this program would directly impact our ability to contribute to increased food security in Madagascar. Reduced levels of Title II support for monetization would also eliminate the synergies expected between child survival/health education on the one hand, and increased access and availability of food on the other.

Thus, beginning in FY 2000, **the Program Budget presented in this R4 for all SOs is identical to the "Plus Up" scenario presented in our CSP Amendment.** This scenario envisions an overall DA-funded OYB of \$18.9 million in FY 2000 and \$18.0 million in FY 2001 and 2002, as compared to the \$16.5 million annual cap set forth in our management contract. The \$18.9 million requested for FY 2000 represents an attempt to re-capture some of the resources now slated to be lost in FY98 and FY99, while the \$18.0 million requested for FYs 2001 and 2002 represents the normal annual level necessary to carry out and achieve the objectives of our approved CSP. Given recent progress in the implementation of Title II monetization efforts, we also want to stress that it is important that resources from this spigot do in fact reach the planned \$6.0 million annual level no later than FY 2000.

We are optimistic that performance in 1998 will provide justification for moving up to these levels, and look forward to engaging our USAID/W teammates in an ongoing dialogue on this issue over the coming months.

As this R4 Program Budget shows, we continue to make progress in bringing down our DA-funded pipeline. We expect that the pipeline, which stood at \$37.8 million, or 15.6 months of expenditure cover at the end of FY97, will decline progressively to \$21.3 million, or just 9.9

months of expenditure cover, at the end of FY99. In any case, the size of our pipeline is already within the Agency parameter of 18 months of anticipated expenditure for ongoing activities, and will remain within that parameter over the life of our CSP. Indeed, by FY 2000, the issue will not be whether our pipeline is too large, but rather whether it is large enough to permit effective program management and timely implementation.

2. Prioritization by Objective

USAID/Madagascar's approved Strategic Framework and its proposed Special Program Objective form a cohesive strategy comprised of three interrelated and mutually reinforcing objectives that together contribute to the Mission goal of reduced poverty. The synergies of our program are described in the CSP Amendment and reflected in Section II of this R4.

The R4 guidance requires operating units to prioritize strategic objectives. Accordingly, our ranking in order of priority is the following: SO3, SPO, and SO2. This ranking is commensurate with FY97 performance described in section II: SO3 and SO1/SPO both exceeded and SO2 met performance targets.

SO3, *Biologically Diverse Ecosystems Conserved in Priority Conservation Zones*, is ranked first because the U.S. has a special interest and comparative advantage in conserving Madagascar's unique biodiversity to ensure that this global resource is not lost to future generations. Simply put, the value of other investments will be time-limited if this resource is not sustained.

Our Special Program Objective in support of the Structural Adjustment Program, *Improved Environment for Private Initiative*, is ranked second. SPO achievements are important in and of themselves because of their importance to the GOM's top priority, the Structural Adjustment Program, and to the top two U.S. Mission objectives in Madagascar (the economy and democracy and human rights). To the extent the SPO can help stimulate private action, investment, employment, and income growth, its achievements will also be critical to long-term poverty reduction and thus the mitigation of threats to Madagascar's natural environment.

SO2, *Smaller, Healthier Families*, is ranked third. Improved health, family planning, and HIV/AIDS prevention and syndromic treatment are essential to reducing poverty and to sustainable natural resource management, as healthier citizens who are able to space births are more productive, less of a burden to their families, and put less pressure on the natural resource base.

3. Linkage with Centrally Funded Mechanisms

SO2 uses field support to access a range of Global Bureau resources to complement our bilateral program. Contraceptive commodities remain our highest priority, as they are essential for achievement of IR2.1 and IR2.2, and to achievement of the SO2 overall. We

will also continue to access social marketing expertise through the Commercial Markets mechanism, at increasing levels as this exciting program moves ahead.

We will be phasing out of our five-year relationship with BASICS in FY99 as a new bilateral mechanism to promote child survival becomes operational, but we plan to access some new Global child survival resources in out-years to focus on nutrition and behavior change essential to achievement of IR2.1 and to continue to access specific support for nutrition activities. We will also access significant expertise from MEASURE, to assist our data for decision-making efforts, and IMPACT, for state-of-the-art AIDS assistance, through the life of our CSP. These latter resources are essential for assuring training and technology transfer to local institutions so that such knowledge and skills continue to feed into Madagascar's health programs.

TAACS advisors provide essential administrative and technical support for SO2 as a whole, and at least one TAACS advisor will be required over the strategy period. Also, a POP/ENV Fellow will continue to reinforce linkages between SO2 and SO3 activities in and around the populous and environmentally important Fianarantsoa Region.

SO3 will access technical assistance in biodiversity monitoring from the Biodiversity Support Program for the remaining two years of that project's life. SO3 will also access a AAAS fellow to support biodiversity conservation activities.

SPO plans to obtain a Democracy Fellow beginning in FY 1999 to provide technical support to its democracy and governance efforts.

The requested Title II resources, including monetization, are important to assuring that our food security strategy can target highly vulnerable population cohorts, including pregnant and lactating women, children under five, the urban poor, and populations in disaster-prone regions. Title II commodities are provided to almost 150 poor communities under the Catholic Relief Service (CRS) Food Assisted Child Survival program. As shown in Table B.7, in the last year, CRS has been able to double the number of community-managed food and nutrition programs.

ADRA is taking the lead in Madagascar's PL 480 Title II umbrella monetization program. As monetization gets underway, proceeds will be used by ADRA, CARE, and CRS to finance a number of activities focussed on increasing food utilization, availability, and access, and sustainable natural resource management, among highly vulnerable population cohorts. CARE and CRS will also work among populations living in areas prone to disasters to build local capacities for cyclone, drought, and/or locust preparedness, mitigation, and response.

B. OE and Staffing

As the budget tables show, OE requirements are \$2.083, \$2.083, and \$2.115 million for FYs 1998, 1999, and 2000, respectively. If one subtracts ICASS requirements of \$198,000,

\$198,000 and \$230,000 respectively for FYs 1998, 1999, and 2000, the annual non-ICASS budget amounts to \$1.885 million for each of these three years. The OE budgets for FY 1999 and FY 2000 are essentially straight-lined from the FY98 figure. The Mission believes, barring unforeseen events, that it can live within these figures if the additional ICASS amounts we have requested are provided to cover the yearly ICASS requirements for FY 2000. If the ICASS contribution must come out of the control figure of \$1.885 million, the Mission would have to cut oversight to the point to where program levels would have to be cut accordingly.

The Mission has made great efforts to respond to USAID/W budgetary limitations while continuing the same level of service. During this year, we have rationalized our support services by privatizing some services, shifting some to ICASS starting April 1, 1998, and retaining some services in-house to get the best quality-cost ratio. With the OE savings from this rationalization (approximately \$65,000 per year), there were sufficient funds available for necessary salary increases and other operating expense increases due to inflation.

In reference to ICASS, USAID has decided to obtain residential maintenance, vehicle maintenance, EXP management and NXP storage from the Embassy service provider. These services are expected to cost USAID approximately \$65,000 per year, a net savings of approximately \$55,000 OE per year. With this shift, USAID expects to relocate four FSN-PSC positions to the Embassy service provider. In addition, three contract positions that are associated with providing these services will be eliminated. USAID has also opted to create its own Class B Cashier operation instead of using those services provided by the Embassy. We will add one-half FSN-PSC position to handle the increased cashier load previously handled by the Embassy. Total cost savings will be approximately \$10,000 per year. USAID also is a service provider for the Peace Corps and USIS for Information Systems. Three FSN-PSC personnel are involved in providing these services to the other agencies. The cost of these services and the amount reimbursed by the other agencies for these services is approximately \$32,000, resulting in no net increase or decrease in our total OE budget levels.

With regard to OE staffing, USAID/Madagascar accepts the leveling out of USDH positions at eight. This is commensurate with our status as a Limited Mission. USAID has hired and empowered higher-level FSN personnel in recent years to compensate for reductions in USDH personnel. Reductions in locally hired OE FSN PSC positions enabled the Mission to reach the FY98 Management Contract level of 72 total staff. This has been accomplished by shifting support functions discussed above to ICASS and by privatizing others. The substantial OE cost savings associated with undertaking our own Class B Cashier operation leads us to request one additional OE FSN PSC position throughout the planning period. Given the diversity and cutting edge nature of our program, we have requested an HPN IDI beginning in FY98. We believe the USAID program and the close U.S. Mission collaborative partnership in implementing the Mission Performance Plan (MPP) would provide an IDI with an outstanding training opportunity. By the start of FY 2000, we anticipate that the locally

recruited OE FSN PSC staff will have received adequate training to eliminate the OE Internationally Recruited TCN PSC Personnel Specialist.

With regards to program staffing, a program-funded FSN PSC on the SO2 team is being groomed to replace the HIV/AIDS TAACS Advisor, who will depart in mid-FY99. We thus propose hiring a new junior FSN PSC in FY99 to replace the one who is moving up. We also plan to continue the other TAACS Advisor throughout the planning period. This position engenders the continuation and deepening of the use of data for decision making across the Mission's program. It also results in the transfer of key data collection and analytical expertise to Malagasy researchers and technical institutes, such as INSTAT, the Malagasy Bureau of Census equivalent. Given the integration of economic growth results with those of democracy and governance in our Special Program Objective, and the opportunity to participate firsthand in deepening the democratic institutions in this young democracy, we plan to obtain a Democracy Fellow beginning in FY 1999. We also plan continuation of a Fellow position in the SO3 NRO portfolio throughout the planning period.

At present, we do not believe that the addition of the "plus-up" we have requested for FY 2000 of \$2.4 million in program resources above our management contract level of \$16.5 million would require additional personnel, because our FSN empowerment and mature partnerships have already enabled each of our SPO/SO teams to manage resources efficiently and effectively at this higher level.¹¹

In summary, FSN empowerment and support service rationalization have provided for efficiencies in operations. The result is that very little, if any, other large reductions in OE staff or funds are to be found. As things now stand, with the program described in this submission, the FY 1999 and FY 2000 OE funding and staffing limitations are the absolute minimum needed to manage the program with its present size and complexity. Further reductions in either OE funding or personnel would necessitate program reductions to avoid implementation problems due to insufficient oversight and internal control weaknesses due to insufficient personnel.

¹¹ To illustrate: In our "plus up" request, the average program level SPO would receive is \$2.5 million, a \$500,000 increase over the portfolio it is managing with existing staff; SO2 would receive a maximum of \$7.6 million annually, the same DA portfolio it is managing with existing staff; and SO3 would receive a maximum of \$8.5 million annually, the same amount that it is managing with existing staff.

USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

11-Aug-98
02:55 PMCountry/Program: USAID MADAGASCAR
Scenario: Base Level

S.O. # , Title	FY 2000																	Future Cost (POST 2000)	Year of Final Oblig.	
	Approp. Acct	Bilateral/F ield Support	Est. SO Pipeline End of FY 99	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 00	Est. Total Cost life of SO				
SPO1: IMPROVED ENVIRONMENT FOR PRIVATE INITIATIVE																				
	DA	Bilateral Field Spt	4,476	2,800 0			1,800							1,000	3,215	21,900	5,000	2,002		
	Total		4,476	2,800	0		1,800	0	0		0	0	0	1,000	3,215	21,900	5,000			
SO02: Smaller, Healthier Families																				
	DA	Bilateral	1,316	2,000				2,000							3,200	41,635	8,000	2,002		
	DA	Field Spt		2,000				2,000								13,285				
	Total		1,316	4,000	0		0	4,000	0		0	0	0	0	3,200	54,920	8,000			
SO02: Smaller,Healthier Families																				
	CD	Bilateral	4,500	3,000					2,600		400				4,000	19,230	6,000	2,002		
	CD	Field Spt		600					400		200					4,920				
	Total		4,500	3,600	0		0	0	3,000		600	0	0	0	4,000	24,150	6,000			
SO02: Smaller, Healthier Families																				
	Title II	Bilateral	0	6,000					6,000				0		6,000	28,911	12,000	2,002		
		Field Spt		0																
	Total		0	6,000	0		0	0	6,000	0	0	0	0	0	6,000	28,911	12,000			
SO03: Biologically-Diverse Ecosystems Conserved in Priority Zones																				
	DA	Bilateral	11,023	8,500									8,500		9,500	122,786	17,000	2,002		
		Field Spt		0																
	Total		11,023	8,500	0		0	0	0		0	0	8,500	0	9,500	122,786	17,000			
		Bilateral		0													0	XX		
		Field Spt		0													0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0			0			
		Bilateral		0																
		Field Spt		0													0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0			0			
Total Bilateral			21,315	22,300	0		1,800	2,000	8,600		400	0	8,500	1,000						
Total Field Support			0	2,600	0		0	2,000	400		200	0	0	0						
TOTAL PROGRAM			21,315	24,900	0		1,800	4,000	9,000		600	0	8,500	1,000	25,915	252,667	48,000			

FY 2000 Request Sector Totals -- DA

Econ Growth	1,800
[Of which Microenterpris	750
HCD	
PHN	7,600
Environment	8,500
[Of which Biodiversity]	3,000
Democracy	1,000
Humanitarian	0

FY 2000 Request Sector Totals -- ESF

Econ Growth	0
[Of which Microenterprise	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level

FY 2002 Target Program Level

FY 2003 Target Program Level

18,000

18,000

TBD

Program Funding

USAID FY 1999 Budget Request by Program/Country

11-Aug-98
02:55 PM

Country/Program: USAID MADAGASCAR
Scenario: Base Level

S.O. # , Title		FY 1999															Future Cost (POST 2000)	Year of Final Oblig.
Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 99	Est. Total Cost life of SO			
SPO1: Improved Environment for Private Initiative																	5,000	2,002
DA	Bilateral	5,180	2,200			1,000							1,200	2,904	21,900	5,000		
	Field Spt		0															
		5,180	2,200	0		1,000	0	0		0	0	0	1,200	2,904	21,900			
SO02: Smaller, Healthier Families																	8,000	2,002
DA	Bilateral	3,126	2,100				2,100							3,910	41,635	8,000		
DA	Field Spt		1,400				1,400								13,285			
	Total	3,126	3,500	0		0	3,500				0	0	0	3,910	54,920			
SO2: Smaller, Healthier Families																	6,000	2,002
CD	Bilateral	6,235	2,200					2,100		100		0		3,935	19,230	6,000		
CD	Field Spt		700					300		400					4,920			
	Total	6,235	2,900	0		0	0	2,400		500	0	0	0	3,935	24,150			
SO2: Smaller, Healthier Families																	12,000	2,002
Title II	Bilateral		5,941						5,941			0		5,941	28,911	12,000		
	Field Spt		0															
	Total	0	5,941	0	0	0	0	0	5,941	0	0	0	0	5,941	28,911			
SO03: Biologically-Diverse Ecosystems Conserved in Priority Zones																	17,000	2,002
	Bilateral	15,123	7,900									7,900		12,000	122,786	17,000		
	Field Spt		0															
	Total	15,123	7,900	0	0	0	0	0		0	0	7,900	0	12,000	122,786			
	Bilateral		0													0	XX	
	Field Spt		0													0		
	Total	0	0	0	0	0	0	0	0	0	0	0	0					
	Bilateral		0													0		
	Field Spt		0															
	Total	0	0	0	0	0	0	0	0	0	0	0	0					
	Bilateral		0													0		
	Field Spt		0															
	Total	0	0	0	0	0	0	0	0	0	0	0	0					
Total Bilateral		29,664	20,341	0		1,000	2,100	2,100		100	0	7,900	1,200			48,000		
Total Field Support		0	2,100	0		0	1,400	300		400	0	0	0					
TOTAL PROGRAM		29,664	22,441	0		1,000	3,500	2,400		500	0	7,900	1,200	28,690	252,667			

FY 1999 Request Sector Totals -- DA	
Econ Growth	1,000
[Of which Microenterpris	525
HCD	0
PHN	6,400
Environment	7,900
[Of which Biodiversity]	3,000
Democracy	1,200
Humanitarian	0

FY 1999 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level
FY 2002 Target Program Level
FY 2003 Target Program Level

18,000
18,000
TBD

Program Funding

USAID FY 1998 Budget Request by Program/Country

11-Aug-98
02:55 PM

Country/Program: USAID MADAGASCAR
Scenario: Base Level

S.O. # , Title					FY 1998													Future Cost (POST 2000)	Year of Final Oblig.
Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO				
SPO1: Improved Environment for Private Initiative																			
DA	Bilateral Field Spt	5,950	2,000 0										2,000	2,770	21,900	5,000	2,002		
Total		5,950	2,000	0		0	0	0		0	0	0	2,000	2,770	21,900	5,000			
SO02: Smaller, Healthier Families																			
DA	Bilateral Field Spt	5,276	2,800 700				2,800 700	0 0		0 0				4,950	41,635 13,285	8,000	2,002		
Total		5,276	3,500	0		0	3,500	0		0	0	0	0	4,950	54,920	8,000			
SO02: Smaller, Healthier Families																			
CD	Bilateral Field Spt	6,979	2,580 420			0		2,330 170		250 250		0		3,374	19,230 4,920	6,000	2,002		
Total		6,979	3,000	0		0	0	2,500		500	0	0	0	3,374	24,150	6,000			
SO02: Smaller, Healthier Families																			
Title II	Bilateral Field Spt	0	4,970 0					4,970				0		4,970	28,911	12,000	2,002		
Total		0	4,970	0		0	0	4,970		0	0	0	0	4,970	28,911	12,000			
SO03: Biologically-Diverse Ecosystems Conserved in Priority Zones																			
DA	Bilateral Field Spt	19,623	8,500 0			1,500						7,000		13,000	122,786	17,000	2,002		
Total		19,623	8,500	0		1,500	0	0		0	0	7,000	0	13,000	122,786	17,000			
	Bilateral Field Spt		0 0													0	XX		
Total		0	0	0		0	0	0		0	0	0	0			0			
	Bilateral Field Spt		0 0																
Total		0	0	0		0	0	0		0	0	0	0			0			
	Bilateral Field Spt		0 0																
Total		0	0	0		0	0	0		0	0	0	0						
Total Bilateral			37,828	20,850	0		1,500	2,800	7,300		250	0	7,000	2,000					
Total Field Support			0	1,120	0		0	700	170		250	0	0	0					
TOTAL PROGRAM			37,828	21,970	0		1,500	3,500	7,470		500	0	7,000	2,000	29,064	252,667	48,000		

FY 1998 Request Sector Totals -- DA	
Econ Growth	1,500
[Of which Microenterpris	408
HCD	0
PHN	6,500
Environment	7,000
[Of which Biodiversity]	3,000
Democracy	2,000
Humanitarian	0

FY 1998 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterpris	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	18,000
FY 2002 Target Program Level	18,000
FY 2003 Target Program Level	TBD

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				F Y 1 9 9 8		F Y 1 9 9 9		F Y 2 0 0 0	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
S.O.2: Smaller, Healthier Families	936-3057 Contraceptives	High	on-going		850		1000		1200
S.O.2: Smaller, Healthier Families	930-6006 BASICS	High	5 years (1994-1998)		120		0		0
S.O.2: Smaller, Healthier Families	936-3085 Commercial Markets	Medium -High	1998-2002		100		400		400
S.O.2: Smaller, Healthier Families	936-3082 Linkages	Medium -High	1998		50				
S.O.2: Smaller, Healthier Families	TBD CS including Nutrition and Behaviour changes	Medium -High	1999-2002		0		300		400
S.O.2: Smaller, Healthier Families	936-3083 Measures	Medium -High	on-going		0		300		400
S.O.2: Smaller, Healthier Families	936-3090 Impact	Medium -High	1999-2002		0		100		200
S.O.3: Biologically-Diverse Ecosystems Conserved in Priority Zones	936-5554 Biodiversity Support Program	Medium -High	2 years (1998-1999)		250		250		0
GRAND TOTAL.....					1370		2350		2600

*For Priorities use high, medium-high, medium, medium-low, low

Org. USAID/Madagascar FY 1998 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire		1	2		1			4	2	1	1				4	8
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program		2	3		1			6							0	6
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0			1				1	1
OE Locally Recruited		4	4		4			12	7	12	9				28	40
Program		6	8		3			17	1						1	18
Total Staff Levels	0	13	17	0	9	0	0	39	10	13	11	0	0	0	34	73
TAACS		2						2							0	2
Fellows		2	1					3							0	3

1/ Excluding TAACS and Fellows

Org. USAID/Madagascar FY 1999 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire		1	2		1			4	2	1	1				4	8
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program		2	3		1			6							0	6
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0			1				1	1
OE Locally Recruited		4	4		4			12	7	12	9				28	40
Program		7	8		3			18	1						1	19
Total Staff Levels	0	14	17	0	9	0	0	40	10	13	11	0	0	0	34	74
TAACS		1						1							0	1
Fellows		1	1		1			3							0	3

1/ Excluding TAACS and Fellows

Org. USAID/Madagascar FY 1999 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire		1	2		1			4	2	1	1				4	8
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program		2	3		1			6							0	6
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0			1				1	1
OE Locally Recruited		4	4		4			12	7	12	9				28	40
Program		7	8		3			18	1						1	19
Total Staff Levels	0	14	17	0	9	0	0	40	10	13	11	0	0	0	34	74
TAACS		1						1							0	1
Fellows		1	1		1			3							0	3

1/ Excluding TAACS and Fellows

Org. USAID/Madagascar FY 2000 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire		1	2		1			4	2	1	1				4	8
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program		2	3		1			6							0	6
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0			0				0	0
OE Locally Recruited		4	4		4			12	7	12	9				28	40
Program		7	8		3			18	1						1	19
Total Staff Levels	0	14	17	0	9	0	0	40	10	13	10	0	0	0	33	73
TAACS		1						1							0	1
Fellows		1	1		1			3							0	3

1/ Excluding TAACS and Fellows

Org. USAID/Madagascar FY 2000 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire		1	2		1			4	2	1	1				4	8
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program		2	3		1			6							0	6
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0			0				0	0
OE Locally Recruited		4	4		4			12	7	12	9				28	40
Program		7	8		3			18	1						1	19
Total Staff Levels	0	14	17	0	9	0	0	40	10	13	10	0	0	0	33	73
TAACS		1						1							0	1
Fellows		1	1		1			3							0	3

1/ Excluding TAACS and Fellows

Org. USAID/Madagascar FY 2001 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire		1	2		1			4	2	1	1				4	8
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program		2	3		1			6							0	6
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0			0				0	0
OE Locally Recruited Program		4	4		4			12	7	12	9				28	40
		7	8		3			18	1						1	19
Total Staff Levels	0	14	17	0	9	0	0	40	10	13	10	0	0	0	33	73
TAACS		1						1							0	1
Fellows		1	1		1			3							0	3

1/ Excluding TAACS and Fellows

Org. USAID/Madagascar Summary On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
FY 1998:																
U.S. Direct Hire	0	1	2	0	1	0	0	4	2	1	1	0	0	0	4	8
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
OE Locally Recruited	0	4	4	0	4	0	0	12	7	12	9	0	0	0	28	40
Total OE Funded Staff	0	5	6	0	5	0	0	16	9	13	11	0	0	0	33	49
Program Funded	0	8	11	0	4	0	0	23	1	0	0	0	0	0	1	24
Total FY 1998	0	13	17	0	9	0	0	39	10	13	11	0	0	0	34	73

FY 1999 Target:																
U.S. Direct Hire	0	1	2	0	1	0	0	4	2	1	1	0	0	0	4	8
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
OE Locally Recruited	0	4	4	0	4	0	0	12	7	12	9	0	0	0	28	40
Total OE Funded Staff	0	5	6	0	5	0	0	16	9	13	11	0	0	0	33	49
Program Funded	0	9	11	0	4	0	0	24	1	0	0	0	0	0	1	25
Total FY 1999 Target	0	14	17	0	9	0	0	40	10	13	11	0	0	0	34	74

FY 1999 Request:																
U.S. Direct Hire	0	1	2	0	1	0	0	4	2	1	1	0	0	0	4	8
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1
OE Locally Recruited	0	4	4	0	4	0	0	12	7	12	9	0	0	0	28	40
Total OE Funded Staff	0	5	6	0	5	0	0	16	9	13	11	0	0	0	33	49
Program Funded	0	9	11	0	4	0	0	24	1	0	0	0	0	0	1	25
Total FY 1999 Request	0	14	17	0	9	0	0	40	10	13	11	0	0	0	34	74

FY 2000 Target:																
U.S. Direct Hire	0	1	2	0	1	0	0	4	2	1	1	0	0	0	4	8
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	4	4	0	4	0	0	12	7	12	9	0	0	0	28	40
Total OE Funded Staff	0	5	6	0	5	0	0	16	9	13	10	0	0	0	32	48
Program Funded	0	9	11	0	4	0	0	24	1	0	0	0	0	0	1	25
Total FY 2000 Target	0	14	17	0	9	0	0	40	10	13	10	0	0	0	33	73

FY 2000 Request:																
U.S. Direct Hire	0	1	2	0	1	0	0	4	2	1	1	0	0	0	4	8
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	4	4	0	4	0	0	12	7	12	9	0	0	0	28	40
Total OE Funded Staff	0	5	6	0	5	0	0	16	9	13	10	0	0	0	32	48
Program Funded	0	9	11	0	4	0	0	24	1	0	0	0	0	0	1	25
Total FY 2000 Request	0	14	17	0	9	0	0	40	10	13	10	0	0	0	33	73

FY 2001 Estimate:																
U.S. Direct Hire	0	1	2	0	1	0	0	4	2	1	1	0	0	0	4	8
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	4	4	0	4	0	0	12	7	12	9	0	0	0	28	40
Total OE Funded Staff	0	5	6	0	5	0	0	16	9	13	10	0	0	0	32	48
Program Funded	0	9	11	0	4	0	0	24	1	0	0	0	0	0	1	25
Total FY 2001 Target	0	14	17	0	9	0	0	40	10	13	10	0	0	0	33	73

MISSION :

USAID/Madagascar

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	No. of USDH Employees In Backstop FY 98	No. of USDH Employees In Backstop FY 99	No. of USDH Employees In Backstop FY 2000	No. of USDH Employees In Backstop FY 2001
01SMG	1	1	1	1
02 Program Off.				
03 EXO	1	1	1	1
04 Controller	1	1	1	1
05/06/07 Secretary				
10 Agriculture.				
11Economics	1	1	1	1
12 GDO				
12 Democracy				
14 Rural Dev.				
15 Food for Peace				
21 Private Ent.				
25 Engineering				
40 Environ	2	2	2	2
50 Health/Pop.	1	1	1	1
60 Education				
75 Physical Sci.				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO	1	1	1	1
95 IDI	1	1	1	1
Other*				
TOTAL	9	9	9	9

*please list occupations covered by other if there are any

TRUST FUNDS & FSN SEPARATION FUND

Orgno: 21687
Org. Title: USAID/Madagascar

Foreign National Voluntary Separation Account

Action	FY 97			FY 98			FY 99		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits			0.0			0.0			0.0
Withdrawals			0.0			0.0			0.0

Unfunded Liability (if any)
at the end of each FY.

Local Currency Trust Funds - Regular (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate(s) Used

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

Local Currency Trust Funds - Real Property (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

Cost of Controller Operations

Org. Title: USAID/Madagascar														
Org. No: 21687														
OC														
Overseas Mission Budgets														
FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Org. Title: USAID/Madagascar														
Org. No: 21687														
OC														
Overseas Mission Budgets														
FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total

Cost of Controller Operations

Org. Title: USAID/Madagascar Org. No: 21687 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	0			0			0			0			0		
Subtotal OC 11.1		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH	0			0			0			0			0		
Subtotal OC 11.3		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH	0			0			0			0			0		
11.5	FNDH	0			0			0			0			0		
Subtotal OC 11.5		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	16		16	16		16	16		16	16		16	16		16
11.8	FN PSC Salaries	60.6		60.6	69.4		69.4	69.4		69.4	79.2		79.2	79.2		79.2
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0			0			0			0			0		
Subtotal OC 11.8		76.6	0	76.6	85.4	0	85.4	85.4	0	85.4	95.2	0	95.2	95.2	0	95.2
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	19.9		19.9	19.9		19.9	19.9		19.9	19.9		19.9	19.9		19.9
12.1	Cost of Living Allowances	0			0			0			0			0		
12.1	Home Service Transfer Allowances	0.7		0.7	0			0			0			0		
12.1	Quarters Allowances	0			0			0			0			0		
12.1	Other Misc. USDH Benefits	0			0			0			0			0		
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FNDH	0			0			0			0			0		
12.1	Other FNDH Benefits	0			0			0			0			0		
12.1	US PSC Benefits	8.5		8.5	8.5		8.5	8.5		8.5	8.5		8.5	8.5		8.5
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FN PSC	0			0			0			0			0		
12.1	Other FN PSC Benefits	33		33	37.6		37.6	37.6		37.6	42.3		42.3	42.3		42.3
12.1	IPA/Detail-In/PASA/RSSA Benefits	0			0			0			0			0		
Subtotal OC 12.1		62.1	0	62.1	66	0	66	66	0	66	70.7	0	70.7	70.7	0	70.7

Cost of Controller Operations

Org. Title: USAID/Madagascar Org. No: 21687 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FNDH			0			0			0			0			0
13	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FN PSCs			0			0			0			0			0
13	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Training Travel	20		20	20		20	20		20	20		20	20		20
21	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Post Assignment Travel - to field	8.2		8.2			0			0			0			0
21	Assignment to Washington Travel	8.2		8.2			0			0			0			0
21	Home Leave Travel			0	12		12	12		12			0			0
21	R & R Travel			0			0			0	9		9	9		9
21	Education Travel			0			0			0			0			0
21	Evacuation Travel			0			0			0			0			0
21	Retirement Travel			0			0			0			0			0
21	Pre-Employment Invitational Travel			0			0			0			0			0
21	Other Mandatory/Statutory Travel			0			0			0			0			0
21	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Site Visits - Headquarters Personnel			0			0			0			0			0
21	Site Visits - Mission Personnel			0			0			0			0			0
21	Conferences/Seminars/Meetings/Retreats	6		6	6		6	6		6	6		6	6		6
21	Assessment Travel			0			0			0			0			0
21	Impact Evaluation Travel			0			0			0			0			0
21	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21	Recruitment Travel	4.5		4.5	4.5		4.5	4.5		4.5	4.5		4.5	4.5		4.5
21	Other Operational Travel			0			0			0			0			0
	Subtotal OC 21.0	46.9	0	46.9	42.5	0	42.5	42.5	0	42.5	39.5	0	39.5	39.5	0	39.5
22	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22	Post assignment freight	54		54			0			0			0			0
22	Home Leave Freight			0	12		12	12		12			0			0
22	Retirement Freight			0			0			0			0			0
22	Transportation/Freight for Office Furniture/Equip.			0			0			0			0			0
22	Transportation/Freight for Res. Furniture/Equip.	3.1		3.1	3.2		3.2	3.2		3.2	3.2		3.2	3.2		3.2

Cost of Controller Operations

Org. Title: USAID/Madagascar Org. No: 21687 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
	Subtotal OC 22.0	57.1	0	57.1	15.2	0	15.2	15.2	0	15.2	3.2	0	3.2	3.2	0	3.2
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	16.4		16.4	16.4		16.4	16.4		16.4	16.4		16.4	16.4		16.4
23.2	Rental Payments to Others - Warehouse Space			0			0			0			0			0
23.2	Rental Payments to Others - Residences	6.6		6.6	13.2		13.2	13.2		13.2	13.2		13.2	13.2		13.2
	Subtotal OC 23.2	23	0	23	29.6	0	29.6	29.6	0	29.6	29.6	0	29.6	29.6	0	29.6
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	3.6		3.6	4.6		4.6	4.6		4.6	5		5	5		5
23.3	Residential Utilities	3.1		3.1	3.2		3.2	3.2		3.2	3.4		3.4	3.4		3.4
23.3	Telephone Costs	6.3		6.3	7.1		7.1	7.1		7.1	7		7	7		7
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0			0			0
23.3	Other Mail Service Costs			0			0			0			0			0
23.3	Courier Services			0			0			0			0			0
	Subtotal OC 23.3	13	0	13	14.9	0	14.9	14.9	0	14.9	15.4	0	15.4	15.4	0	15.4
24	Printing and Reproduction			0			0			0			0			0
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0
25.1	Management & Professional Support Services			0			0			0			0			0
25.1	Engineering & Technical Services			0			0			0			0			0
	Subtotal OC 25.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	4.8		4.8	5		5	5		5	6		6	6		6
25.2	Residential Security Guard Services	3.9		3.9	4.7		4.7	4.7		4.7	5.6		5.6	5.6		5.6
25.2	Official Residential Expenses			0			0			0			0			0
25.2	Representation Allowances			0			0			0			0			0
25.2	Non-Federal Audits			0			0			0			0			0
25.2	Grievances/Investigations			0			0			0			0			0

Cost of Controller Operations

Org. Title: USAID/Madagascar Org. No: 21687 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Insurance and Vehicle Registration Fees			0			0			0			0			0
25.2	Vehicle Rental			0			0			0			0			0
25.2	Manpower Contracts	3.4		3.4	3.4		3.4	3.4		3.4	3.4		3.4	3.4		3.4
25.2	Records Declassification & Other Records Services			0			0			0			0			0
25.2	Recruiting activities			0			0			0			0			0
25.2	Penalty Interest Payments			0			0			0			0			0
25.2	Other Miscellaneous Services			0			0			0			0			0
25.2	Staff training contracts	12.9		12.9	10.7		10.7	10.7		10.7	10.7		10.7	10.7		10.7
25.2	ADP related contracts			0			0			0			0			0
	Subtotal OC 25.2	25	0	25	23.8	0	23.8	23.8	0	23.8	25.7	0	25.7	25.7	0	25.7
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS			0			0			0			0			0
25.3	All Other Services from Other Gov't. accounts			0			0			0			0			0
	Subtotal OC 25.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	1.4		1.4	1.4		1.4	1.4		1.4	1.4		1.4	1.4		1.4
25.4	Residential Building Maintenance	1		1	1		1	1		1	1		1	1		1
	Subtotal OC 25.4	2.4	0	2.4	2.4	0	2.4	2.4	0	2.4	2.4	0	2.4	2.4	0	2.4
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0			0			0			0			0
25.7	Storage Services			0			0			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	0.7		0.7	1		1	1		1	1.1		1.1	1.1		1.1
25.7	Vehicle Repair and Maintenance			0			0			0			0			0
25.7	Residential Furniture/Equip. Repair and Maintenance	0.1		0.1	0.1		0.1	0.1		0.1	0.1		0.1	0.1		0.1
	Subtotal OC 25.7	0.8	0	0.8	1.1	0	1.1	1.1	0	1.1	1.2	0	1.2	1.2	0	1.2
25.8	Subsistence and support of persons (by contract or Gov't.)			0			0			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Supplies and materials	3.9		3.9	4		4	4		4	4		4	4		4
	Subtotal OC 26.0	3.9	0	3.9	4	0	4	4	0	4	4	0	4	4	0	4
31	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Cost of Controller Operations

Org. Title: USAID/Madagascar Org. No: 21687 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
31	Purchase of Residential Furniture/Equip.	0.5		0.5	0.5		0.5	0.5		0.5	0.5		0.5	0.5		0.5
31	Purchase of Office Furniture/Equip.	4.1		4.1	6.4		6.4	6.4		6.4	6.4		6.4	6.4		6.4
31	Purchase of Vehicles			0			0			0			0			0
31	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31	ADP Hardware purchases	15.4		15.4	16.1		16.1	16.1		16.1	16.1		16.1	16.1		16.1
	Subtotal OC 31.0	20	0	20	23	0	23	23	0	23	23	0	23	23	0	23
32	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32	Purchase of Land & Buildings (& construction of bldgs.)			0			0			0			0			0
32	Purchase of fixed equipment for buildings			0			0			0			0			0
32	Building Renovations/Alterations - Office			0			0			0			0			0
32	Building Renovations/Alterations - Residential			0			0			0			0			0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		330.8	0	330.8	307.9	0	307.9	307.9	0	307.9	309.9	0	309.9	309.9	0	309.9
Dollars Used for Local Currency Purchases		<u>144.9</u>			<u>168.1</u>			<u>168.1</u>			<u>185.1</u>			<u>185.1</u>		
Exchange Rate Used in Computations		<u>5000</u>			<u>5000</u>			<u>5000</u>			<u>5000</u>			<u>5000</u>		

Org. Title:	Madagascar	Overseas Mission Budgets											
Org. No:		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Org. Title:	Madagascar	Overseas Mission Budgets											
Org. No:		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total

Org. Title: Org. No: OC		Madagascar	Overseas Mission Budgets														
			FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
			Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
11.1	Base Pay & pymt. for annual leave balances - FNDH	0		0		0		0		0		0					
Subtotal OC 11.1		0	0	0	0	0	0	0	0	0	0	0	0				
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
11.3	Base Pay & pymt. for annual leave balances - FNDH	0		0		0		0		0		0					
Subtotal OC 11.3		0	0	0	0	0	0	0	0	0	0	0	0				
11.5	Other personnel compensation	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
11.5	USDH	0		0		0		0		0		0					
11.5	FNDH	0		0		0		0		0		0					
Subtotal OC 11.5		0	0	0	0	0	0	0	0	0	0	0	0				
11.8	Special personal services payments	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
11.8	USPSC Salaries	32		32	32		32	32		32	32		32				
11.8	FN PSC Salaries	310.5		310.5	318.8		318.8	318.8		318.8	308.6		308.6				
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0		0		0		0		0		0					
Subtotal OC 11.8		342.5	0	342.5	350.8	0	350.8	350.8	0	350.8	340.6	0	340.6				
12.1	Personnel benefits	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
12.1	USDH benefits	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
12.1	Educational Allowances	79.6		79.6	79.6		79.6	79.6		79.6	79.6		79.6				
12.1	Cost of Living Allowances	0		0		0		0		0		0					
12.1	Home Service Transfer Allowances	2.1		2.1	0.7		0.7	0.7		0.7	1.4		1.4				
12.1	Quarters Allowances	0		0		0		0		0		0					
12.1	Other Misc. USDH Benefits	0		0		0		0		0		0					
12.1	FNDH Benefits	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
12.1	Payments to the FSN Separation Fund - FNDH	0		0		0		0		0		0					
12.1	Other FNDH Benefits	0		0		0		0		0		0					
12.1	US PSC Benefits	17		17	17		17	17		17	17		17				
12.1	FN PSC Benefits	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
12.1	Payments to the FSN Separation Fund - FN PSC	0		0		0		0		0		0					
12.1	Other FN PSC Benefits	155.4		155.4	166.2		166.2	166.2		166.2	173.9		173.9				
12.1	IPA/Detail-In/PASA/RSSA Benefits	0		0		0		0		0		0					
Subtotal OC 12.1		254.1	0	254.1	263.5	0	263.5	263.5	0	263.5	271.9	0	271.9				
13	Benefits for former personnel	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
13	FNDH	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
13	Severance Payments for FNDH	0		0		0		0		0		0					
13	Other Benefits for Former Personnel - FNDH	0		0		0		0		0		0					
13	FN PSCs	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
13	Severance Payments for FN PSCs	7		7			0			0			0				
13	Other Benefits for Former Personnel - FN PSCs	0		0		0		0		0		0					
Subtotal OC 13.0		7	0	7	0	0	0	0	0	0	0	0	0				
21	Travel and transportation of persons	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
21	Training Travel	90		90	90		90	90		90	90		90				
21	Mandatory/Statutory Travel	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line					
21	Post Assignment Travel - to field	24.6		24.6	8.2		8.2	8.2		8.2	24		24				

Org. Title:		Overseas Mission Budgets														
Org. No:		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC	Madagascar	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21	Assignment to Washington Travel	8.2		8.2			0			0			0			0
21	Home Leave Travel	12		12	49		49	49		49	21		21	21		21
21	R & R Travel	49		49	10.5		10.5	10.5		10.5	38		38	38		38
21	Education Travel			0			0			0			0			0
21	Evacuation Travel			0			0			0			0			0
21	Retirement Travel			0			0			0			0			0
21	Pre-Employment Invitational Travel			0			0			0			0			0
21	Other Mandatory/Statutory Travel	20		20	20		20	20		20	20		20	20		20
21	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Site Visits - Headquarters Personnel	10		10	10		10	10		10	10		10	10		10
21	Site Visits - Mission Personnel	25		25	25		25	25		25	25		25	25		25
21	Conferences/Seminars/Meetings/Retreats	18		18	18		18	18		18	18		18	18		18
21	Assessment Travel			0			0			0			0			0
21	Impact Evaluation Travel			0			0			0			0			0
21	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21	Recruitment Travel	9		9	9		9	9		9	9		9	9		9
21	Other Operational Travel	5		5	5		5	5		5	5		5	5		5
	Subtotal OC 21.0	270.8	0	270.8	244.7	0	244.7	244.7	0	244.7	260	0	260	260	0	260
22	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22	Post assignment freight	114		114	30		30	30		30	60		60	60		60
22	Home Leave Freight	24		24	60		60	60		60	12		12	12		12
22	Retirement Freight			0			0			0			0			0
22	Transportation/Freight for Office Furniture/Equip.	1		1	1		1	1		1	1		1	1		1
22	Transportation/Freight for Res. Furniture/Equip.	15		15	15		15	15		15	15		15	15		15
	Subtotal OC 22.0	154	0	154	106	0	106	106	0	106	88	0	88	88	0	88
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	91.1		91.1	90.2		90.2	90.2		90.2	89.7		89.7	89.7		89.7
23.2	Rental Payments to Others - Warehouse Space			0			0			0			0			0
23.2	Rental Payments to Others - Residences	105.6		105.6	174.4		174.4	174.4		174.4	163.6		163.6	163.6		163.6
	Subtotal OC 23.2	196.7	0	196.7	264.6	0	264.6	264.6	0	264.6	253.3	0	253.3	253.3	0	253.3
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	18.3		18.3	23.3		23.3	23.3		23.3	25.1		25.1	25.1		25.1
23.3	Residential Utilities	31		31	32.5		32.5	32.5		32.5	28.8		28.8	28.8		28.8
23.3	Telephone Costs	48		48	48		48	48		48	48		48	48		48
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0			0			0
23.3	Other Mail Service Costs	1.5		1.5	1.5		1.5	1.5		1.5	1.5		1.5	1.5		1.5
23.3	Courier Services	6.5		6.5	6.5		6.5	6.5		6.5	6.5		6.5	6.5		6.5
	Subtotal OC 23.3	105.3	0	105.3	111.8	0	111.8	111.8	0	111.8	109.9	0	109.9	109.9	0	109.9
24	Printing and Reproduction	5		5	5		5	5		5	5		5	5		5
	Subtotal OC 24.0	5	0	5	5	0	5	5	0	5	5	0	5	5	0	5
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Org. Title:		Overseas Mission Budgets														
Org. No:		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0
25.1	Management & Professional Support Services			0			0			0			0			0
25.1	Engineering & Technical Services			0			0			0			0			0
	Subtotal OC 25.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	24.2		24.2	25.3		25.3	25.3		25.3	29.9		29.9	29.9		29.9
25.2	Residential Security Guard Services	39		39	47		47	47		47	52.1		52.1	52.1		52.1
25.2	Official Residential Expenses			0			0			0			0			0
25.2	Representation Allowances	0.9		0.9	0.9		0.9	0.9		0.9	0.9		0.9	0.9		0.9
25.2	Non-Federal Audits			0			0			0			0			0
25.2	Grievances/Investigations			0			0			0			0			0
25.2	Insurance and Vehicle Registration Fees	1.5		1.5	1.5		1.5	1.5		1.5	1.5		1.5	1.5		1.5
25.2	Vehicle Rental			0			0			0			0			0
25.2	Manpower Contracts	122.2		122.2	132		132	132		132	145.2		145.2	145.2		145.2
25.2	Records Declassification & Other Records Services			0			0			0			0			0
25.2	Recruiting activities	1		1	1		1	1		1	1		1	1		1
25.2	Penalty Interest Payments			0			0			0			0			0
25.2	Other Miscellaneous Services	20		20	15.4		15.4	15.4		15.4	12.6		12.6	12.6		12.6
25.2	Staff training contracts	62.3		62.3	50		50	50		50	50		50	50		50
25.2	ADP related contracts			0			0			0			0			0
	Subtotal OC 25.2	271.1	0	271.1	273.1	0	273.1	273.1	0	273.1	293.2	0	293.2	293.2	0	293.2
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	198		198	198		198	198		198	230		230	230		230
25.3	All Other Services from Other Gov't. accounts			0			0			0			0			0
	Subtotal OC 25.3	198	0	198	198	0	198	198	0	198	230	0	230	230	0	230
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	10		10	10		10	10		10	10		10	10		10
25.4	Residential Building Maintenance	10		10	10		10	10		10	9		9	9		9
	Subtotal OC 25.4	20	0	20	20	0	20	20	0	20	19	0	19	19	0	19
25.6	Medical Care			0			0			0			0			0
	Subtotal OC 25.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	15		15	15		15	15		15	15		15	15		15
25.7	Storage Services			0			0			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	5		5	5		5	5		5	5		5	5		5
25.7	Vehicle Repair and Maintenance	5		5	5		5	5		5	5		5	5		5
25.7	Residential Furniture/Equip. Repair and Maintenance	1		1	1		1	1		1	0.9		0.9	0.9		0.9
	Subtotal OC 25.7	26	0	26	26	0	26	26	0	26	25.9	0	25.9	25.9	0	25.9
25.8	Subsistence and support of persons (by contract or Gov't.)			0			0			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Supplies and materials	62.5		62.5	49.5		49.5	49.5		49.5	48.7		48.7	48.7		48.7

Org. Title: Madagascar		Overseas Mission Budgets														
Org. No: OC		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 26.0		62.5	0	62.5	49.5	0	49.5	49.5	0	49.5	48.7	0	48.7	48.7	0	48.7
31	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31	Purchase of Residential Furniture/Equip.	5		5	5		5	5		5	4.5		4.5	4.5		4.5
31	Purchase of Office Furniture/Equip.	30		30	30		30	30		30	30		30	30		30
31	Purchase of Vehicles	60		60	60		60	60		60	60		60	60		60
31	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31	ADP Hardware purchases	50		50	50		50	50		50	50		50	50		50
31	ADP Software purchases	25		25	25		25	25		25	25		25	25		25
Subtotal OC 31.0		170	0	170	170	0	170	170	0	170	169.5	0	169.5	169.5	0	169.5
32	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32	Purchase of Land & Buildings (& construction of bldgs.)			0			0			0			0			0
32	Purchase of fixed equipment for buildings			0			0			0			0			0
32	Building Renovations/Alterations - Office			0			0			0			0			0
32	Building Renovations/Alterations - Residential			0			0			0			0			0
Subtotal OC 32.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Claims and indemnities			0			0			0			0			0
Subtotal OC 42.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		2083	0	2083	2083	0	2083	2083	0	2083	2115	0	2115	2115	0	2115
Dollars Used for Local Currency Purchases		<u>1028.3</u>			<u>1129.1</u>			<u>1129.1</u>			<u>1132.4</u>			<u>1132.4</u>		
Exchange Rate Used in Computations		<u>5000</u>	_____		<u>5000</u>	_____		<u>5000</u>	_____		<u>5000</u>	_____		<u>5000</u>	_____	
Workyears of Effort 1/																
	FNDH	0		0			0			0			0			0
	FN PSCs	40		40	40		40	40		40	40		40	40		40
	IPAs/Details-In			0			0			0			0			0
	Manpower Contracts	29		29	31		31	31		31	31		31	31		31
Total Workyears		69	0	69	71	0	71	71	0	71	71	0	71	71	0	71

1/ One workyear of effort is equal to 2080 hours worked.